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Further on Meeting on East Timor Held in Manila

Philippine Senator Speaks

BK0106092394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 1 Jun 94

[Text] Senator Wigberto Tanada, a human rights advocate, has called on the Indonesian Government to stand for the people of East Timor. Tanada made the statement during his opening speech at the start of the four-day conference on East Timor held at the Malcolm Hall of the University of the Philippines. The senator stressed his support for the people of East Timor who are seeking independence from the Indonesian Government. In this regard, Tanada strongly criticized the weak national leadership which yields to Indonesia's wishes.

Visas of 10 Foreigners Cancelled

BK0106124594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 1 Jun 94

[Text] The Bureau of Immigration and Deportation [BID] today cancelled the visas of 10 foreign nationals currently attending the Asia-Pacific Conference on East Timor [APCET]. Immigration Associate Commissioner Manuel Roxas reiterated that their action is in compliance with the government's position to bar foreigners attending the conference. Those foreigners who are now attending the APCET are believed to have gained entry into the country before their ban took effect.

In this connection, immigration agents headed by Tom Natividad this morning served summons on 10 foreigners attending the conference at the Malcolm Hall of the University of the Philippines. Natividad said the foreigners should personally go to the immigration office before 0800. He clarified that they went to Malcolm Hall just to serve the subpoenas to the foreigners and not to arrest them.

[Begin recording, in English] [Natividad] As I have said, we are just instructed to serve these to the secretariat, and that's all.

[Unidentified correspondent] Sir, if they do not appear, what will happen?

[Natividad] I don't know.

[Unidentified correspondent] Sir, what's your name again?

[Natividad] Tom Natividad. Intelligence Officer Tom Natividad.

[Indistinct question from unidentified correspondent]

[Natividad] No, it's not. (?It's) a subpoena that they have to appear at 0800 today. [end recording]

APEC Senior Officials Meeting Opens in Bali

BK2705161194 Jakarta THE JAKARTA POST in English 19 May 94 p 1

[By Meidyatama Suryodiningrat]

[Text] Nusa Dua, Bali (JP)—The second Senior Official Meeting (SOM) of the Asia Pacific Economic Cooperation (APEC) began here yesterday with a call to narrow the economic gap between the developed and developing member nations.

"It is crucial for the developing economies in APEC to achieve a rate of development that will allow them to reduce the gap between themselves and their high industrialized partners," Director General for Foreign Economic Relations Wisber Luis said at the opening the three-day meeting.

Wisber said that for this reason, it is important the four fields of cooperation in the APEC framework—human resources development, promotion of small and medium scale industries, private sector participation an improvement of infrastructures—should be prioritized.

The meeting is the second of four SOMs to held in preparation for the sixth APEC Ministerial Meeting due to be held in Jakarta in November.

Over 250 officials from the 17-member states are attending the meeting at the Bali International Convention Center at Nusa Dua's complex of luxury hotels.

APEC, currently presided over by Indonesia, is comprised of Canada, the United States, Mexico, Japan, Taiwan, China, Hong Kong South Korea, Thailand, the Philippines, Malaysia, Singapore, Indonesia, Brunei, Papua New Guinea, Australia and New Zealand.

Wisber explained that, as chairman, Indonesia hopes the current SOM will try to broaden and intensify the four fields of cooperation. He said the recently signed Uruguay Round of multilateral trade negotiations in Marrakech, Morocco, will have a positive impact on APEC.

"The newly concluded Round may provide a fresh impetus for APEC member to work towards a more liberalized trade and investment regime in the region," he said.

Talking to reporters following the first session of yesterday's meeting, Wisber said many of the delegates were delighted that Bali was chosen as the venue of the SOM.

"They have commended Indonesia for the selection of the site," he said. "Of course I didn't tell them that it added costs," he added modestly.

Wisber would not reveal much about the contents of the first-day's meeting but said that the provisional agenda for the SOM had been approved. He added that participants were reviewing the reports of the various working groups and committees which had meetings a week In advance.

At the conclusion of yesterday's events, several delegates explained that much of the proceedings dealt with the works of the Committee on Trade and Investment (CTI).

Among the most important items discussed was the adoption of an APEC Investment Principal, which included such issues as non-discrimination and free movement of assets.

With the United States and Australia as the main initiators, it was agreed that the latter would be responsible for producing a draft of the Investment Principals.

Another topic on the agenda was the issue of promotion of small and medium scale enterprises. Apparently no concrete results have been yielded except for the fact that Taiwan will be responsible for drawing-up a draft proposal.

Among the issues to be discussed in today's meeting will be the creation of a Pacific Business Forum which will be an assembly of business persons throughout the Asia Pacific region.

The delegates have also proposed that two persons represent each country in the first meeting of the business forum scheduled to be held in Singapore from June 10 to June 11.

At this point, Indonesia and Japan have already announced their representatives. Indonesia will be represented by eminent businessman A.R. Ramli and a former minister of cooperatives, Bustanil Arifin. Japan has selected the president and vice president of Itochu their representatives—Minoru Morohushi and Nobuo Tateishi, respectively.

Three-Day Meeting Closes

BK0206045594 Jakarta THE JAKARTA POST in English 23 May 94 p 1

[Text] Nusa Dua, Bali (JP)—Senior officials of the Asia Pacific Economic Cooperation (APEC) forum have agreed to recommend improved cooperation on infrastructural development and on the nurturing of smaller-scale businesses.

At the close of the second three-day APEC senior officials meeting (SOM) on Friday, delegates expressed the need to deal with the region's growing infrastructure demands.

Saodah Syahruddin, director for economic relations among developing countries at the Indonesian Ministry of Foreign Affairs, said APEC's member economies have responded positively to Indonesia's proposal to focus on infrastructure as a central area for cooperation.

APEC groups the United States, Mexico, Japan Taiwan, Hong Kong, China, South Korea, Thailand, Malaysia, Singapore, the Philippines, Indonesia, Papua New Guinea, Canada, Brunei Australia and New Zealand.

"The senior officials agreed to discuss cooperation on infrastructures at their next meeting," Saodah explained.

Indonesia, as chairman of APEC, has identified developing human resources small and medium-scale enterprises, private sector participation and improvement of infrastructures as key areas of concentration.

During lunch after the closing of the SOM, Saodah explained that the region, which represents 40 percent of the world's population, will require about US$1 trillion in infrastructure investment by the year 2010.

The Indonesian Government has also anticipated this need by assigning the Ministries of Transportation, Mines and Energy, Public Works and Tourism, Post and Telecommunications to deal with the challenges.

Speaking on small and medium enterprises, Saodah said the definitions of "small" and "medium" have yet to be made.

"Some would say that a small business is run by 10 people and others say 100 people," she said. "We are still trying to work it out."

During the SOM, delegates reviewed the results of last month's meeting in Jakarta of APEC's Expert Group on Small and Medium Enterprises and endorsed it as an initial program which will be further discussed at the group's next meeting in Yogyakarta in September.

Johan Syahperi Saleh, the chief of the Ministry of Foreign Affairs' bureau for economic affairs of the ASEAN National Secretariat said the problems of small and medium enterprises are related to access to markets and financing facilities, limitations in management abilities and technology and limited access to information.

"We need policies that are conducive to overcoming these obstacles," he said.

The SOM also agreed that the expert group should begin to study strategies for promoting financing for small and medium enterprises.

The SOM also set tentative dates for the upcoming events. The third SOM will be held in Yogyakarta on September 10-14 and the fourth in Jakarta on November 6-10.

The APEC Ministerial Meeting will be held in Jakarta one day after the fourth SOM on November 11-12 and prior to the APEC Economic Leaders Meeting to be held at the Presidential Palace in Bogor, West Java, on November 15.

The senior officials also agreed to invite Chile, APEC's newest member, to take part in their next meeting.

The SOM, however, failed to reach a consensus on requests by non-member economies to participate in the meetings of APEC's working groups. Countries such as Vietnam have recently conveyed to President Suharto their wish to take part in these discussions.

Philippine Defense Official Speaks at PBEC

BK2705064594 Manila BUSINESS WORLD in English 25 May 94 p 10

[Text] Kuala Lumpur—Defense Secretary Renato de Villa urged opposing sides in the Korean peninsula to exercise restraint, and called for a moratorium on potentially destabilizing activities such as fresh arms and troops buildup and deployment in the South China Sea. He also called on the Pacific Basin Economic Council to help stabilize security concerns in the Asia-Pacific region by creating economic activity.

He was speaking during a defense and security session of the 27th Pacific Basin Economic Council [PBEC] meeting yesterday afternoon. The PBEC, he said, could help alleviate the situation in the Peninsula and help North Korea to "enter the mainstream of the Pacific Basin community" by inviting the North to participate in PBEC activities. Prospects of greater trade opportunities and investments can "provide some incentives for North Korea to respond positively to any PBEC initiative in that direction."

Mr. de Villa also suggested that the PBEC develop a vital role in the economic pursuits in the South China Sea where there is a need for continuing dialogues on the demilitarization of the area. Maintenance of the status quo is necessary "with respect to the claims of sovereignty and exploration of possible modes of cooperation in scientific research, inventory, exploitation and development of its resources with the participation of the claimant countries," he added.

Corporate involvement in enhancing the security and stability of the region is vital, said Secretary de Villa. Although the Asia- Pacific region has managed to adapt "rather well" to the changes in the international community with the end of the Cold War, it still faces problems of "incalculable impact on peaceful endeavors amidst the optimism in the economic progress of the region."

Experts Discuss Safety Measures in Malacca Straits

BK2805114594 Kuala Lumpur BERNAMA in English 0941 GMT 28 May 94

[Text] Singapore, May 28 (OANA-BERNAMA)—Navigational safety and pollution-control mechanisms in the Straits of Malacca need to be updated to keep pace with development.

This was one of the recommendations made by Southeast Asian coastal and sea management experts at a three-day conference on sustainable development of coastal and ocean areas in Southeast Asia which ended Saturday.

It was organised by the Southeast Asian Programme in ocean law, policy and management (SEAPOL).

The experts believe that while the mechanisms were still relevant, its elements—some of which were 20 years old—could be improved as more vessels were using the straits and new coastal development projects came up.

The basic principles for safety of navigation and consequently prevention of pollution that we have laid out remain solid but the problem is whether we have been left behind by development, said Indonesia's ambassador at-large Professor Hashim Jalal.

International Maritime Organisation (IMO) programme manager Dr. Chua Thia-Eng said a long-term financing mechanism to combat marine pollution was necessary and oil spill contigency plans strengthened at the regional and national levels.

But, he said, the problem of marine pollution could not be resolved by governments alone as it required public support such as in reducing waste disposal into the sea.

Department of Geography Associate Professor Dr. Chia Lin Sien of the National University of Singapore said the the element of human error as a cause of accidents at sea should be given serious attention in view of the increasing traffic in the straits.

People manning the ships have to be properly trained and the vessels in good condition, he added.

Conference joint-chairman Professor Tommy Koh agreed that a problem faced globally was in the training of seamen and this had led to crews being below par.

Another problem was an aging fleet with few new ships being commissioned and those in service unseaworthy, said Professor Koh, who is director of Singapore's Institute of Policy Studies.

Japan

Further Reports on Reaction to Framework Talks

Fujii Wants Agreement by Naples Summit

OW0106111294 Tokyo KYODO in English 1056 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—Finance Minister Hirohisa Fujii expressed hope Wednesday [1 June] that Japan and the United States would reach a trade agreement before the July summit of leading industrial nations.

He said his ministry, which is in charge of the insurance sector in the talks under a bilateral trade "framework," will make "utmost efforts" to reach an accord by the July 8 start of the Group of Seven (G-7) summit in Naples, Italy.

The insurance talks started earlier in the day, three and a half months after breaking down on February 11 over how to measure progress in opening Japan's markets.

Fujii told a regular news conference he knew nothing of the details of the day's Tokyo talks, as he had been in Diet hearings all day.

On the economy, despite a surge in the stock market and upturns in several economic indicators, Fujii said he cannot yet judge that the economy has hit bottom as "not necessarily good" factors continue to cloud the emerging bright signs.

Officials on Resumed Insurance Talks

OW0106130294 Tokyo KYODO in English 1225 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—Japan and the United States apparently broke no new ground Wednesday [1 June] in a cautious return to the trade negotiating table for the first time in three and a half months.

The day's talks on insurance trade, the most promising of three priority areas, consisted of confirming progress made before bilateral trade "framework" talks broke down in February, a Japanese official said.

Both sides expressed caution, but there were indications the U.S. was ready to ease its hard-line stance in the insurance talks that conclude Thursday in Tokyo.

"I gather there's an atmosphere of optimism that we are going to move forward," a U.S. official said. "The U.S. is going to be more flexible but we're not going to throw everything overboard."

But the official, who asked not to be named, said the Americans were sticking to their main positions, adding, "we'll just have to see how things go in this first round—whether we move forward or just get stuck."

The Japanese side was also cautious, with one Finance Ministry official saying both sides remain apart on the pace of liberalizing the foreign-dominated "third sector" of insurance that includes accident, nursing care and disease coverage.

Washington is urging Tokyo to go slow on deregulating the sector, with U.S. officials stressing in the past the need for "prudent" regulation. But Japan sees the go-slow demand as an attempt by the U.S. to hold its lead.

Nonetheless, insurance was an area that both sides have said was nearer to agreement than other priority areas—government procurement and automobiles and car parts—as it is less likely to revert to bickering over whether U.S. demands amount to "numerical targets."

The framework talks broke down on February 11, when then Prime Minister Morihiro Hosokawa and President Bill Clinton could not agree on the "objective criteria" called for in the framework accord signed last July.

In restarting the talks, the U.S. side said that although it wants a "results-oriented" agreement, it is not seeking market-share "targets." But Tokyo's concerns remain.

Foreign Minister Koji Kakizawa said Wednesday that the "Japan-U.S. gap has shrunk considerably" but that no sectoral agreements have been reached.

Answering questions in the House of Representatives budget committee, Kakizawa expressed a "fear that something like a request for numerical targets could emerge."

Finance Minister Hirohisa Fujii, whose ministry is responsible for the insurance talks, vowed his "utmost efforts" to reach a framework agreement in time for a July summit of major industrial nations. But he told a regular news conference he did not know the details of the day's insurance talks.

Asked if both sides could wrap up an agreement on insurance in two days, lead U.S. negotiator Ira Wolf, assistant trade representative for Japan and China, smiled and said, "We'll see."

The Japanese team is headed by Eisuke Sakakibara, deputy chief of the Finance Ministry's International Finance Bureau.

The two countries are to resume the auto and parts talks Thursday in Washington and the talks on Japanese Government procurement of medical equipment and telecommunications Friday in Tokyo.

U.S. 'Compromise' Expected

OW0206033994 Tokyo KYODO in English 0329 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—U.S. trade negotiators were expected to offer a compromise plan in insurance sector talks Thursday [2 Jun] with a model for a unified licensing system, Japanese officials said.

In the second day of insurance talks under a restarted bilateral trade "framework," the American side was expected to respond to Japanese complaints that state-by-state licensing arrangements hinder the entry of foreign firms to the U.S. market, the officials said.

U.S. officials could not immediately be reached for comment.

Japanese officials have said their demand for more uniformity in the U.S. insurance market was their only request in the insurance talks.

A unified U.S. licensing model would thus open the way for compromises by both sides. Finance Minister Hirohisa Fujii vowed "utmost efforts" Wednesday to reach agreement in the talks in time for a July summit of major industrial nations.

In the agreement that got the talks back on track after three and a half months, both sides said they would seek to improve access to both markets.

Before the breakdown of the framework talks in February, U.S. negotiators avoided specific discussions of U.S. market access problems, saying they were willing to "consult" on U.S. market conditions but not negotiate on them.

Indeed, the Japanese officials described the expected U.S. unified licensing model as being for reference.

Each U.S. state supervises its own insurance industry, unlike Japan's nationwide standards. Tokyo has called this a barrier to foreign entry, citing cases in which Japanese nonlife insurers required nearly 30 years to receive licenses in all 50 states.

The U.S. wants Japan to go slow in deregulating the foreign-dominated "third sector" of its insurance market—including nursing care and disease coverage.

The insurance talks, the first in the framework's three priority areas, began Wednesday in Tokyo.

Talks on automobiles and auto parts are to begin Thursday in Washington, and talks on Japanese Government procurement of medical and telecommunications equipment are to begin Friday in Tokyo.

Minister Hopes for Progress

OW0206093994 Tokyo KYODO in English 0904 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Vice Finance Minister Jiro Saito said Thursday [2 June] he hopes to see "some progress" in the ongoing insurance talks under the resumed U.S.-Japan "framework" trade talks.

But Saito, speaking at a regular press meeting, declined to elaborate, saying negotiations are still under way and he has not yet heard full details.

Japanese and U.S. negotiators are meeting in Tokyo for the second day of the two-day talks that are expected to end later this evening.

Insurance business is one of the three priority areas along with automobiles and auto parts, and government procurement of telecommunications and medical equipment.

'Quick Settlement' Favored

OW0206132994 Tokyo KYODO in English 1301 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Japan and the United States reported progress in revived trade talks on Thursday [2 June] but said they remain apart on key issues in the insurance sector negotiations.

"The mood was not that the two sides are in dispute" in the two-day insurance talks in Tokyo, said a senior Japanese Finance Ministry official. "Both sides appear to favor a quick settlement."

A U.S. trade official called the talks "successful meetings, but just one step in what are going to be difficult negotiations."

"We obviously still have considerable work ahead of us before we complete our agreement," he said. "We are anxious to conclude these negotiations as quickly as possible."

No deadline has been set for the insurance sector, but the official said the two sides were "adjusting their schedules" to finish before a July summit of major industrial nations.

They agreed to start drafting an accord when they meet again late this month, but they have yet to delve in detail on the sticky issue of "objective criteria" to gauge progress in opening Japan's markets, he said.

Most of the meetings consisted of catching up on events since bilateral trade "framework" talks broke down in February and on confirming the progress they made before the rupture, said the Japanese and U.S. officials separately, each declining to be named.

Negotiators were halfway to agreement when talks broke down over other sectors and neither side is making new demands, the Japanese official said.

But serious differences remain, with the U.S. continuing to press for what the U.S. official called its most important issue—deregulation of prices, terms and conditions of insurance policies in Japan.

Washington insists that Japan allow competition in prices and innovative policies in the life and nonlife sectors, saying Japanese consumers have essentially no choice in either area, the U.S. official said.

Negotiators have not attempted to define objective criteria to measure progress in opening Japan's market, as called for in the framework accord signed last July, the Japanese official said. Both sides cited earlier commitments that such criteria will not become "numerical targets."

Such wrangling in the two other key sectors—government procurement and autos and auto parts—scuttled the framework talks in February.

The issue of instituting a system of insurance brokers to help Japanese consumers get the best policies is "still unresolved," the U.S. official said. Japan has agreed in principle to the system but the official said there is no point in having a broker if there is no real choice among policies or prices.

The U.S. also wants simpler, clearer licensing procedures.

On the other hand, Japan is seeking uniformity in licensing in the U.S. insurance market, complaining that state-by-state regulatory jurisdictions block foreign firms from entering.

The Japanese official said the U.S. agreed to negotiate on access to its own market, but the U.S. official refused to confirm it. He indicated, however, that U.S. negotiators responded to Japanese questions by explaining voluntary measures being taken by state insurance commissioners for more uniform standards.

The U.S. official denied the U.S. is trying to make Tokyo go slowly in liberalizing the foreign-dominated "third sector" that includes disease and nursing coverage and stands outside of life and standard nonlife insurance.

But freeing that area ahead of the others would mean "the wiping out of many companies in the third sector without any opportunity for them to compete in the life and nonlife sectors," the U.S. official said.

The Japanese official said there were "no particular discussions" on the third sector.

Bilateral talks were to start Thursday in Washington on autos and auto parts and Friday in Tokyo on Japanese Government procurement of medical and telecommunications equipment.

Europeans on 'U.S. Bias' in Aircraft Development

OW0106061894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 May 94 Morning Edition p 13

[Text] European aircraft makers, including France's Aerospatiale and Britain's British Aerospace, complained to the Ministry of International Trade and Industry [MITI] on 30 May of the "U.S. bias" in the process of selecting a partner to develop the small passenger jetliner YSX, a joint project of the Japanese Government and private sector, and asked MITI to correct this tendency.

The Boeing Company of the United States and the Japanese have already started a feasibility study on YSX. The Europeans seriously regard "Boeing's entry into the market of small aircraft to be a threat," and competition between the United States and Europe is bound to intensify.

The complaint was made in a letter from the Aerospace Committee (chaired by De Fontaine [name as published], Japan representative of Eurocopter) of the European Business Association in Japan. The letter says that if partnership between Japan and Boeing in small passenger aircraft materializes, this will: 1) aggravate the disparity between Europe and the United States in Japan's cooperation with foreign countries in the aerospace sector; and 2) threaten the existence of European companies.

YSX is the passenger jetliner that will succeed the Japanese-made YS-11. MITI has obtained appropriations for research on this aircraft since fiscal 1989. However, joint international development is considered indispensable to share development costs and strengthen marketing potential. For this reason, the Japanese Government and private sector have been negotiating with a number of foreign companies, including Boeing and ATR, a joint venture company formed by Aerospatiale and Italy's Alenia, and plan to select a development partner by this summer.

Boeing has already started a feasibility study with Japan and China on small passenger aircraft in preparation for the YSX project. This complaint by the European companies seems to have been filed amid speculation that "Boeing will be the probable partner in the YSX project," and is meant to remind Japan of the presence of the European companies.

MITI Minister Hata To Miss OECD Meeting

OW0206122694 Tokyo KYODO in English 0953 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Japanese International Trade and Industry Minister Eijiro Hata will skip a Paris ministerial conference of the Organization for Economic Cooperation and Development (OECD), the trade ministry said Thursday.

A tight parliamentary schedule has made Hata's attendance at the two-day gathering from next Tuesday impossible, the Ministry of International Trade and Industry (MITI) explained. Parliamentary Vice MITI Minister Tokunosuke Kaneko and Yoshihiro Sakamoto, director general of MITI's International Trade Policy Bureau, will fly to Paris instead, MITI said.

This year's OECD meeting will address three major topics—growth and employment, reinforcing multilateral trade systems and the OECD's role amid rapid international change, a MITI official said.

Whether the chiefs of the Foreign Ministry and the Economic Planning Agency will attend the conference has yet to be decided, the official said.

Further on Reaction to DPRK Nuclear Issues

Hata Expresses 'Grave Concern'

OW0206034794 Tokyo KYODO in English 0325 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Prime Minister Tsutomu Hata expressed grave concern Thursday [2 June] over North Korea's refusal to accept inspections of its suspect nuclear facilities sought by the International Atomic Energy Agency (IAEA).

"If (North Korea) does not talk without reserve, it will lead to an undesirable direction," Hata told reporters at his official residence. "North Korea should take a serious view of the concern of the international community."

The United States has warned it will seek economic sanctions against North Korea if the IAEA is prevented from carrying out tests on nuclear fuel rods at the 5-megawatt reactor in Yongbyon some 90 kilometers from Pyongyang to determine whether spent fuel has been diverted to the manufacture of nuclear weapons.

North Korea over the past week has been removing spent fuel rods from the reactor. The IAEA has warned that its capacity to carry out tests will be lost "in days" without proper technical arrangements.

North Korea has repeatedly prevented IAEA inspectors from carrying out full inpections on its nuclear plants, fueling suspicions that the country is secretly developing nuclear weapons.

A government spokesman later said Japan's position is to seek a peaceful resolution of North Korea's nuclear issue.

"We still hope this issue will be resolved in a peaceful manner through efforts by the parties concerned," Deputy Chief Cabinet Secretary Nobuo Ishihara told a news conference.

Ishihara also noted the government is scrutinizing North Korea's virtual refusal to accept Monday's UN Security Council statement that urged Pyongyang to comply with nuclear safeguards requirements.

Despite the harshly worded rejection, Ishihara said, no noticeable shift in North Korea's stance on the matter can be seen.

It is not known how the countries involved will respond to Pyongyang's renewed refusal to allow international inspections of its nuclear reactor as IAEA inspectors are still continuing observation in North Korea, he added.

Kakizawa Calls For Chinese Help

OW0206033494 Tokyo KYODO in English 0324 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Foreign Minister Koji Kakizawa told a senior Chinese official Thursday [2 Jun] the situation regarding North Korea's suspected development of nuclear weapons is at a critical stage, ministry officials said.

"Inspections (of North Korea's nuclear facilities) are becoming increasingly difficult. The situation is at an important stage and is tense," the officials quoted Kakizawa as telling Chinese Vice Foreign Minister Tang Jiaxuan.

In a 15-minute meeting with the Chinese visitor, the Japanese foreign minister repeated calls for China's cooperation in solving the problem, adding he wants to hold close consultations with China.

Tang told Kakizawa China has been making efforts to seek a breakthrough on the problem and will continue to make its utmost efforts to peacefully solve it through dialogue, adding China's approach to North Korea has limits, the officials said.

The resumption of dialogue among North Korea, the International Atomic Energy Agency (IAEA) and the United States is important in seeking a breakthrough to the standoff, Tang was saying.

He also reiterated China's basic stance that it supports denuclearization of the Korean peninsula, and maintenance of peace and stability in the region.

China played a "constructive role" in compiling the UN Security Council's presidential statement issued Monday, Tang said.

The council statement "strongly" urged Pyongyang to cooperate in pulling spent fuel rods from a nuclear reactor so IAEA inspectors could determine if any material has been diverted for nuclear weapons.

Tang delivered an invitation from Chinese Foreign Minister Qian Qichen for Kakizawa to visit China.

If unable to make the trip, the two foreign ministers may be able to meet at a meeting of foreign ministers from the Association of Southeast Asian Nations (ASEAN) and its dialogue partners in July, or at an Asia-Pacific Economic Cooperation (APEC) meeting in Jakarta in November, Tang quoted Qian as saying.

More on Ministry Seeking PRC Help

OW0106120794 Tokyo KYODO in English 1147 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—Japan called for China's continued cooperation in solving the problems of North Korea's alleged development of nuclear weapons, Foreign Ministry officials said Wednesday.

In diplomatic consultations held at the Foreign Ministry, Japanese officials told a Chinese delegation that China's role is important in solving the problem, the officials said.

Beijing supports the denuclearization of the Korean peninsula and considers peace and stability on the peninsula important, the Chinese side was quoted as saying.

They also told the Japanese side that now is the time for a "calm and constructive" approach by all concerned parties.

China wants talks to be held between North Korea and the International Atomic Energy Agency (IAEA), and between Washington and Pyongyang, the Chinese diplomats said.

Japanese diplomatic officials voiced deep concern over North Korea's unmonitored removal of fuel rods from its nuclear reactor in Yongbyon, and said North Korea's alleged nuclear development concerns the future of the nuclear Nonproliferation Treaty (NPT) system, the officials said.

The UN Security Council issued a presidential statement Monday "strongly" urging North Korea to cooperate in pulling spent fuel rods from a nuclear reactor so IAEA inspectors can determine if any material has been diverted for nuclear weapons.

The ministry officials declined to elaborate on the contents of Wednesday's consultations with China, saying they were not "negotiations."

Deputy Foreign Minister Hiroshi Fukuda led the Japanese delegation at the talks held at the Foreign Ministry, while Chinese Vice Foreign Minister Tang Jiaxuan headed the Chinese side.

Japan and China have been holding diplomatic talks since 1980. The previous meeting was held in Beijing in March 1992.

Also during the talks, the Japanese side referred to comments by former Justice Minister Shigeto Nagano denying Japan's aggression during World War II and the 1937 Nanjing massacre, and vowed to make continued efforts to develop bilateral relations with China based on remorse for the past, the officials said.

The Chinese side said China's basic stance is to develop relations with Japan by not forgetting the past but by learning from it and by looking toward the future.

Correctly dealing with the two nations' past is also an important political base for promoting bilateral ties, Chinese officials were quoted as saying.

Japan urged China to refrain from conducting underground nuclear tests and expressed hope that Beijing would participate in negotiations on the comprehensive test ban treaty in Geneva, they said.

China replied that it is participating in the negotiations, and reiterated that it supports complete abolition of nuclear weapons and conducts fewer tests than other nuclear powers, they said.

Tokyo also asked for Chinese support in its bid to become a permanent member of the UN Security Council.

The Chinese side replied that the reorganization of the council should be dealt with according to consensus and the principles of balance, adding that it would consider Japan's bid on this basis, they said.

Defense Agency To Promote Exchange With U.S.

OW2905081994 Tokyo KYODO in English 0754 GMT 29 May 94

[Text] Tokyo, May 29 KYODO—The Defense Agency will set up a new working-level group with the U.S. Department of Defense to promote reciprocal bilateral exchange of military technology, agency officials said Sunday [29 May].

The agency expects the group to help make unilateral military technology transfer between the two countries reciprocal, the officials said.

The first meeting of the "technology management group" will be held in Washington in July. The group will be set up under the Japan-U.S. Systems and Technology Forum, the officials said.

The group, expected to establish a "basic rule" for bilateral military technology exchange for the first time, will determine the types of general-purpose technology suitable for such exchange by the end of the year.

The officials said both nations will protect intellectual rights when private interests are involved in military technology transfers, by paying attention to the laws of each nation and its independent policies, so that technology procurement will be made on a commercial basis.

The United States has already shown interest in such Japanese technology as new materials and electronics, they said.

In 1983, Japan decided to open the way for transferal of military technology to the U.S. as an exception to its principle of banning arms export.

Nuclear Waste Plant Project With Russia Noted

OW0206113994 Tokyo KYODO in English 1113 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Japan and Russia will soon announce plans to build a disposal plant for liquid nuclear waste near Vladivostok in the Russian Far East, Foreign Ministry sources said Thursday [2 June].

The plant, to be funded from a Japanese 70 million dollar grant for denuclearization, is expected to be completed within this year, the sources said.

The Japanese Government has agreed in principle to construct the facility, which would filter radioactive substances from the liquid waste, on an offshore dock as requested by Moscow.

For lack of storage and treatment facilities the former Soviet Union and Russia have been dumping hundreds of tons of nuclear waste in the Sea of Japan and other waters off its coasts.

The disclosure of the decades-long nuclear dumping has sparked international protests and strained relations between Tokyo and Moscow.

Japan last autumn offered to lend Russia a tanker to provide urgently needed storage capacity, but Moscow later retreated from the plan and proposed to build the waste disposal plant instead.

Moscow repeatedly told Japan it would have to resume nuclear dumping at sea if the plant was not built quickly.

The sources said final approval for the project might still be held up by apparent differences between Moscow and Vladivostok authorities about the nature of the plant.

Reportage on Visiting PRC Visiting Trade Minister

Meets Hata on Economic Cooperation

OW0206062594 Tokyo KYODO in English 0533 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Strengthening of economic relations between China and Japan is good not only for the two countries but also for the Asia-Pacific region and the whole world, China's trade minister said here Thursday [2 Jun].

Foreign Trade and Economic Cooperation Minister Wu Yi made the remark in her meeting with Prime Minister Tsutomu Hata in the Diet building, a Foreign Ministry official said.

Wu, who previously met Hata in Seattle last November, also expressed hope for early implementation of Japan's planned fourth package of yen loans to China through official development assistance, the official said.

Hata replied that Japan should try to forge future-oriented relations with China based on repentance over controversial remarks by former Justice Minister Shigeto Nagano, the official said.

Nagano resigned in early May over his remarks that the 1937 Nanjing Massacre never happened and that Japan was not an aggressor in World War II.

Cautions Tokyo Over Textile Imports

OW0206035694 Tokyo KYODO in English 0332 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Chinese Foreign Trade and Economic Minister Wu Yi on Thursday [2 Jun] asked Japan to exercise prudence in taking a unilateral measure to curb textile imports from China.

Meeting Japanese International Trade and Industry Minister Eijiro Hata in Tokyo, Wu said, "China is concerned about Japan's invocation of a discriminatory curb on textile imports," according to ministry officials.

"Beijing cannot accept such a step," Wu was quoted as saying.

The Chinese trade minister was referring to a set of rules recently worked out by a Japanese Government panel for activating a safeguard measure on textile imports under the multifiber agreement (MFA).

The rules are designed to protect the Japanese textile industry from possible damage following massive textile imports, especially from China.

Japanese trade minister Hata said Tokyo is prepared to discuss the issue with China on a working-level.

Wu said China will strive to make its textile exports orderly, the officials told reporters.

The remark hints at Beijing's preparedness to introduce a voluntary curb on textile exports to Japan in order to prevent Japanese invocation of the safeguard measure.

During the one-hour meeting, Wu requested that Japan map out a framework for its fourth yen-loan program for China, the ministry officials said.

Hata replied that Japan will work out specifics of 60 projects being selected under the five-year lending program from 1996 "as early as possible," they said.

Hata was quoted as saying Japan will support China's early admission to the General Agreement on Tariffs and Trade (GATT). But there remain various problems to clear the way for Beijing's smooth entry to GATT, including China's quantitative import restrictions, dual pricing systems and inconsistent enforcement of administrative rules between the central government and local governments, Hata said.

"China should reform these domestic systems so that its economy can be incorporated into the global economic system at an early time," he said.

Wu arrived in Tokyo on Tuesday for an eight-day visit to Japan aimed at encouraging Japanese investment in China. She is the first Chinese cabinet minister to visit Japan since the government of Prime Minister Tsutomu Hata was formed in late April.

Finnish Company Seeks 20% of Cellular Phone Market

OW0106055294 Tokyo KYODO in English 0533 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—Finnish mobile phone maker Nokia aims to capture a 20 percent share in Japan's digital cellular phone market, a senior company official said Wednesday [1 June].

Nokia Vice President Jouko Hayrynen told KYODO NEWS SERVICE he expects Japan to become a trendsetter in Asia's mobile phone market as seen by the boom that followed the government's decision to allow makers to retail instead of lease their products. Helped by the deregulation, the number of mobile phone suppliers in Japan has since doubled to more than 25.

Nokia, the world's second-largest mobile phone maker after Motorola Inc. of the United States, will finish preparations for volume production of models tailored to the Japanese market by the end of this month, Hayrynen said. Hayrynen said the Japanese mobile phone market is estimated at 1.3 million to 1.5 million units this year, of which about 50 percent will be digital machines.

Keidanren on Control of Nuclear, Conventional Arms

OW0106140594 Tokyo KYODO in English 1053 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—The Federation of Economic Organizations (Keidanren) asked the government Wednesday [1 June] to hear industry views on its plans to control exports of goods convertible for weapons production, Keidanren officials said.

The powerful business organization made the request as the government began to study measures to regulate exports of such products in line with its policy of preventing proliferation of nuclear and conventional weapons.

The government plans to enforce regulations on the basis of a recommendation to be made by the Industrial Structure Council, an advisory body to the minister of international trade and industry.

Keidanren said the proposed regulation will have a serious impact on domestic manufacturers, particularly on those who are not familiar with export controls.

The federation called on the government to hear views from industries concerned in working out new regulations and give them enough time for familiarization, the officials said.

Traders' Import, Export Contracts Down in April

OW3005075094 Tokyo KYODO in English 0653 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Both import and export contracts concluded in April by 19 major Japanese trading houses fell from a year earlier, an industry group reported Monday [30 May].

The Japan Foreign Trade Council, which groups major trading companies, said the export contracts were down 18.0 percent in value to 656.3 billion yen and import contracts fell 24.0 percent to 906.7 billion yen.

Export contracts posted the sixth consecutive year-on-year fall and import contracts recorded the seventh such drop.

The council blamed the decreased export contracts on a slump in auto export contracts, which it said stemmed from the yen's appreciation and increased production by Japanese-owned assembly plants overseas.

The lower import contracts were blamed on declines in purchases of crude oil, as well as purchase of petroleum products from Southeast Asia.

The council said exports are likely to recover in the coming months, noting that demand is increasing for automobiles and steel in the United States and other markets.

Imports may also increase in the months ahead, especially of machinery from other Asian countries, the council said.

Auto Exports Fall for 13th Straight Month

OW3005074594 Tokyo KYODO in English 0704 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Japan's exports of cars, trucks and buses in April dropped 16.2 percent from a year earlier for the 13th straight month, an industry association reported Monday [30 May].

The Japan Automobile Manufacturers Association, however, said exports to the United States climbed 11.4 percent, marking the first upturn in nine months.

The association said April exports totaled 367,230 vehicles, with passenger cars accounting for 272,923, down 17.3 percent.

Exports of trucks fell 10.5 percent to 88,756, while shipments of buses overseas plunged 36.6 percent to 5,551.

The association said exports of automobiles to the U.S. totaled 135,147, up from 121,367 a year earlier.

Exports to Europe plunged 24.5 percent to 83,456 vehicles, reflecting sluggish demand on the European market, the association said.

It said exports to Asia plummeted 43.7 percent, reflecting flagging demand in China and Thailand.

The April exports, including components and parts, were valued at 6.91 billion dollars, down 2.4 percent from a year before, the association said.

Doyukai Urges Smooth Implementation of Reforms

OW0106032594 Tokyo KYODO in English 0311 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—The Japan Association of Corporate Executives (Keizai Doyukai) on Wednesday [1 Jun] requested anew that the Japanese Government make further efforts to smoothly implement political, economic and administrative reforms.

Chairman Masaru Hayami made the request during a breakfast meeting with International Trade and Industry Minister Eijiro Hata and other trade ministry officials.

Electorate seat redistribution, as part of political reforms, should be completed during the current parliamentary session while a tax reform package containing tax cuts and an offsetting consumption tax increase two or three years later should be formulated soon, Hayami said, echoing the voice of about 35 other corporate executives present at the breakfast meeting.

Hayami also urged the government to take concrete measures to narrow a price gap between home and abroad, reduce Japan's huge current account surplus, upgrade the labor market and revise a spending plan for public works projects for an efficient fund allocation.

Trade Minister Hata replied that the government will do its utmost to address the requests but refrained from making clear commitments on specific requests.

MOF Ready To Issue New Tax Reform Estimates

OW3005115894 Tokyo KYODO in English 1119 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—A Ministry of Finance [MOF] report on tax reform was not an attempt to control debate on planned tax hikes and cuts, and the ministry will provide additional estimates on the planned tax reform if requested, a top ministry official said Monday [30 May].

Vice Finance Minister Jiro Saito told a news conference that the ministry report, issued last Friday, on revenue estimates for tax cuts and hikes had "no policy implications."

"We will consider positively (on revising the estimates) if requested," Saito said in brushing off criticism that his ministry is again trying to steer debate on the tax reform, particularly in regards to the tax hike rate, maturity of stopgap bonds and fiscal streamlining.

Saito said the report was just a "mechanical calculation" to serve as a basis for further discussions by a government tax panel and the ruling coalition parties.

Pressed by reporters to explain why estimates for a tax hike of below 7 percent was not included in the report, Saito said, "there's no reason for us to reject if requested to calculate estimates on the basis of a 6 percent tax rate."

The report, submitted upon request to the tax commission and the ruling parties, estimates net revenues in fiscal 2000 after tax cuts of 6.2 percent are extended and the current 3 percent consumption tax is raised to between 7 percent and 10 percent in April 1997.

The ministry was criticized for its failure to include estimates on a tax hike of below 7 percent, a "natural" tax revenue increase and possible effects from fiscal and administrative overhauls.

It was also criticized for setting conditions of redeeming stopgap bonds to 10 years and financing expected increases in welfare spending wholly with the tax hike. The stopgap bonds would fund the three-year time lag between tax cuts and hike.

After reviewing the report Friday, the ruling coalition asked the ministry for estimates that include a consumption tax hike of between 4 percent and 6 percent, "natural" revenue increases and a 20-year maturity for the stopgap bonds, a ministry official said.

Saito said the ministry has not decided on conditions for redeeming stopgap bonds in 10 years but said, "we want to redeem them as early as possible."

He said fiscal and administrative reforms were "yet unclear with discussions still under way."

MOF Expects FY '93 Tax Revenue Shortfall

OW0206075494 Tokyo KYODO in English 0724 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Fiscal 1993 tax revenues are expected to fall short of the government's estimates, with declared income tax proceeds posting lower-than-projected growth, the Ministry of Finance [MOF] said Thursday [2 June].

The ministry reported that cumulative revenues from taxes levied as of April for fiscal 1993 came to 47,496.83 billion yen, up a scant 0.8 percent from the year before but lower than a 2.3 percent growth estimated in the third supplementary budget.

The figures are for taxes in fiscal 1993 that ended on March 31.

The taxes collected as of April 30 came to 87.2 percent of the 55,650.00 billion yen estimated in the supplementary budget, the rate being down 1.2 percentage point from a year earlier.

"Attaining the supplementary budget estimates is not easy," a ministry official said, citing the lower-than-expected growth in declared income tax proceeds.

He said it all depends on corporate and consumption taxes to be collected in May for the fiscal 1993 book closing in March by almost all Japanese companies. "We can't give definite estimates because big fluctuations are expected," he said.

But private think tanks projected an overall revenue shortfall of some 1 trillion yen for fiscal 1993.

Because of the prolonged economic slump, the government has already trimmed tax revenue estimates twice in two extra budgets following the initial 1993 budget.

Cumulative proceeds from declared income tax as of the end of April came to 4,573.96 billion yen, up 0.9 percent from the year before, but sharply lower than the estimated 11.4 percent growth.

Yearly declarations are made by March, and declared income taxes are levied in April.

"Declared income tax revenues are certain to fall below the estimates" of 5,302.00 billion yen, the official said.

Overall tax revenues for April alone came to 5,150.68 billion yen, up 1.7 percent from the year before, the ministry reported.

Income tax revenues in April totaled 3,563.21 billion yen, up 3.5 percent, with cumulative revenues standing at 22,991.85 billion yen, up 2.1 percent but lower than the previously estimated 3.9 percent growth.

Declared income tax proceeds in April rose 5.8 percent to 2,299.64 billion yen, and withholding tax revenues fell 0.5 percent to 1,263.57 billion yen.

Corporate tax proceeds in April fell 8.0 percent to 551.23 billion yen, stemming from sluggish earnings by both major and smaller companies that closed their books in February, the official said.

As a result, cumulative corporate tax revenues stood at 3,937.71 billion yen, down 10.2 percent, compared with a projected 1.5 percent decline.

Consumption tax revenues dropped 8.0 percent in April to 427.69 billion yen, with the cumulative amount standing at 3,932.74 billion yen, up 9.1 percent and higher than an estimated 4.1 percent rise.

As for other major items, the official said there were no major changes in the tax revenue trends.

Partial Income Tax Managed at Local Level

OW3005151994 Tokyo KYODO in English 1507 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—The Ministry of Finance [MOF] plans to allow a portion of the revenues collected from the consumption tax to be handled by local governments, ministry sources said Monday [30 May].

The ministry will soon offer a compromise proposal to the Home Affairs Ministry, which, along with local governments, has urged the introduction of a local consumption tax.

Currently, the state government collects all consumption tax revenues and distributes 20 percent of revenues to autonomies.

Under the Finance Ministry proposal, the same proportion of income from the consumption tax will be collected by municipalities and then pooled and distributed according to population and consumption levels.

Introduction of a local consumption tax is one of the focuses in the planned tax system overhaul the government plans to work out by late June.

The Finance Ministry initially opposed the idea but has conceded in the face of mounting calls for the need to boost the financial base of local governments.

Its proposal is slightly different from that of the Home Affairs Ministry, which requested that Japan's 47 prefectures collect the tax and the money gathered be distributed in accordance with the number of workers in each prefecture.

If the Finance Ministry's plan is accepted, the share of revenues for such major cities as Tokyo and Osaka will be much smaller than the original plan because many people who work in the major cities live outside city limits.

Chip Makers Positive on FY '94 Investment

OW3005055594 Tokyo KYODO in English 0516 GMT 30 May 94

[Text] Tokyo, May 30 KYODO—Japan's six major electric machinery makers plan to spend 15.4 percent more on business investment for semiconductor production in fiscal 1994 than they did the previous year, according to their projections.

The six concerns—Hitachi Ltd., Fujitsu Ltd., NEC Corp., Toshiba Corp., Mitsubishi Electric Corp. and Oki Electric Industry Co.—set aside a total of 461 billion yen for investment for the fiscal year that ends March 31, 1995, up from 399.6 billion yen the year before.

Industry officials cited an unabated personal computer boom in the United States and bright prospects for domestic demand as factors behind the bullish spending plans.

The bulk of these investment is targeted at memory chips, for which demand is shifting from 4-megabit dynamic random access memory (dram) chips to 16-megabit dram chips.

"The shift in demand for 16-megabit dram chips will be put into top gear" in the latter half of this year, said Hajime Sasaki, managing director at NEC.

NEC, now an industry leader in 16-megabit dram chips, expects to raise manufacturing capacity to 3 million units a month by next March from the current one million.

Hitachi is trying to catch up with NEC in the 16-megabit dram chip market with a project to raise monthly capacity at one of its main domestic chip factories to 3 million units, also by next March.

Fujitsu's investment plan calls for investing more than 100 billion yen, its first such layout in three years, while Toshiba and Mitsubishi plan to increase investment for the first time in three years after keeping their investments flat for the past two years.

Oki, which returned to profitability in the latest business year ended March 31, expects to double its investment for chip production.

Food Agency Denies Silencing Rice Dealer

OW0106140894 Tokyo KYODO in English 1322 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—The Food Agency has exerted pressure on a major rice wholesaler not to protest the government's food control policies, it was learned Wednesday [1 June].

The agency asked Bunji Nakamura, president of Yamatane Corp., to keep the company's outspoken chairman Seizo Yamazaki from making provocative remarks against Japan's food control system, in which the government keeps a tight grip on production and marketing of rice.

The agency made the request on March 16 when it called Nakamura to ask for Yamatane's cooperation in sales of imported rice.

The agency denied the accusation, but other reports said that it has asked members of farm ministry panels and food-services industry officials not to criticize the government's policies.

Mieno Says Economic Downturn 'About To End'

OW0106134094 Tokyo KYODO in English 0950 GMT 1 Jun 94

[Text] Tokyo, June 1 KYODO—Bank of Japan Governor Yasushi Mieno told the Diet on Wednesday [1 June] the domestic economy is showing signs of recovery.

Mieno told the House of Representatives Budget Committee, "I think the downturn is about to end, and the environment for economic recovery has almost been completed."

He cited progress in inventory adjustments, the effects of the government's fiscal and monetary measures and economic recovery overseas as favorable factors.

Mieno, however, took a cautious view of recovery, saying it remains to be seen whether the bright signs will continue because of uncertainty over the yen's exchange rates against other currencies and employment adjustments.

Poll: Business Leaders Cautious About Recovery

OW0206092194 Tokyo KYODO in English 0816 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Japan's business leaders remain cautious about the future course of the domestic economy, despite some signs of recovery, the Federation of Economic Organizations (Keidanren) said Thursday [2 June].

The organization, which polled 152 top executives of large corporations in mid-May, said four out of five businessmen expect business conditions to improve in the second half of the current business year or later.

According to the results, 75.0 percent of those surveyed said the economy's future course is unpredictable, though they have seen some signs of bottoming out.

Another 24.3 percent said the economy has not yet bottomed out, while only 0.7 percent said the economy has already hit bottom and prospects are bright.

As for the timing of recovery, 40.6 percent said they expect it in the October-December period this year, while 39.9 percent predicted the January-March period or later next year.

On corporate capital investment, many of the surveyed said recovery will take a considerably long time because many companies are slowly completing stock adjustment.

Some respondents also predicted that major corporations will shift their investment from domestic to overseas markets to take advantage of the higher yen.

They predicted investment will for a while center on rationalizing equipment and renewing existing facilities as part of their restructuring programs.

Corporate investment that will boost the economy will come much later, they added.

Capital Spending Expected To Grow in FY 1994

OW0206075794 Tokyo KYODO in English 0719 GMT 2 Jun 94

[Text] Tokyo, June 2 KYODO—Plant and equipment investment by Japanese corporations in fiscal 1994 will edge up 1.1 percent from the previous year on an all-industry basis, marking the first gain in three years, a survey by the Ministry of International Trade and Industry (MITI) revealed Thursday [2 June].

The planned spending for this year was revised upward from a 0.1 percent drop estimated in the initial forecast.

The showing could be taken as a sign that corporate capital spending in Japan stopped decelerating, said the Industrial Structure Council, an advisory body to the trade minister.

But the upturn was mainly in reaction to a marked 8.7 percent fall estimated for fiscal 1993, the council said, noting corporate managers are still cautious about boosting investment for the current year.

The survey was conducted at the end of March to update the original survey of October last year. It covered 1,615 companies in 11 manufacturing sectors and seven nonmanufacturing sectors.

The survey revealed outlays by manufacturers for fiscal 1994 will drop 3.5 percent, the third consecutive yearly fall but a substantial improvement from an estimated 19.6 percent drop in the previous year.

Nonmanufacturers plan to boost spending by 3.6 percent for this year after suffering an estimated 1.1 percent dip the preceding year.

The council said corporate inventory adjustment appears to have progressed substantially. But an excess of facility investment made during the boom of the late 1980s still lingers among major Japanese corporations, leaving the possibility of their inventory adjustment being further prolonged.

In view of an expected further delay in a full-scale recovery in final demand and manufacturing activity, it is likely to take a "substantially long time" before plant and equipment investment in Japan shifts to a smooth growth track, the council said.

It also said restructuring efforts are underway in sectors that would lead to an immediate cut in fixed expenses, but added that such efforts lack a long-term business prospect, noting spending aimed to promote research and development and create new business has been stagnant.

The survey said Japanese companies' direct overseas investment will continue to slacken in fiscal 1994, falling 27.9 percent from the previous year.

But Asia-bound investment for the reporting year will surge 26.0 percent in a turnaround from an estimated 2.6 percent slide in the previous year.

Investment in Asia by manufacturers will grow a sharper 56.1 percent, following an estimated 3.5 percent fall in fiscal 1993.

As a result, Japan's direct investment in other Asian countries this year will account for 37.5 percent of the total overseas spending, up from 16.4 percent in the previous year.

The tilt toward Asian investment reflects Japanese companies' added emphasis on enhancing cost competitiveness, the council said.

As a way to put Japan's corporate activity on a smooth recovery track, the council proposed the government carry out macroeconomic policy measures adequately and flexibly in line with a series of market-priming packages.

The government should also support corporate restructuring efforts to facilitate creation of new businesses through tax incentives, deregulation and diversification of fund raising, the council said.

Mongolia

Visa Agreement Signed With Asian Countries

BK0206020194 Ulaanbaatar MONTSAME in English 1231 GMT 1 Jun 94

[Text] Ulaanbaatar, June 1 (OANA-MONTSAME)—Recently the Deputy Minister of External Relations of Mongolia J. Choinhor has visited four countries of the Southeastern Asia including Singapore, Indonesia, Philippines and Malaysia and has reached an agreement with those countries on mutual visa free exchange of citizens.

According to the deputy minister, under the agreement it is stipulated that Mongolian citizens having foreign passports of any kind can stay visiting without visa Singapore and Indonesia for a two week period, Philippines three week and Malaysia one month.

Credits, Aid Granted for Telecommunications

BK0206020394 Ulaanbaatar MONTSAME in English 1221 GMT 1 Jun 94

[Text] Ulaanbaatar, June 1 (OANA-MONTSAME)—The Asian Bank for Development is granting to Mongolia some 25 million US dollars worth of credits for the purpose of promoting the development of telecommunications system in the country. The talks on this matter were held recently in Manila where participating was Vice President of the Mongolbank S. Chuluunbat. According to him, in granting of those credits other foreign countries are to take part too. For instance, the Government of Norway decided to provide together with some other Scandinavian countries 18 million USD credits part of which would be granted in the form of gratis aid.

MONTSAME Carries Press Review for 1 June

BK0206012194 Ulaanbaatar MONTSAME in English 1223 GMT 1 Jun 94

[Text] Ulaanbaatar, June 1 (OANA-MONTSAME)—The newspaper "ARDYN ERH" informs that at the spring session of the Great State Hural of Mongolia the debate concerning the draft of the general law on social insurance has continued.

The newspaper is reporting about the accomplishing of the visit and departure for home of the Indonesian parliamentary delegation headed by the Deputy Chairman of the Parliament of Indonesia Suryadi. During the stay in the country of the Indonesian parliamentary delegation they have met with the President of Mongolia P. Ochirbat, Chairman of the Great State Hural of Mongolia N. Bagabandi and also meetings took place with deputy chairman of the Mongolian parliament, and leaderships of a number of ministries and leaders of political parties of Mongolia as well.

The newspaper is covering the visit to the country of the Indian delegation headed by a member of the Parliament of India M. Prasad reporting that the Indian parliamentarians were received by the Deputy Chairman of the Great State Hural J. Gombojav the central official organ newspaper "ARDYN ERH" is writing that last Monday the chairman of the Great State Hural of Mongolia N. Bagabandi has called on the technical university and handed in diplomas to the graduates of the university. [sentence as received] This higher educational establishment of the country is to commemorate of its 25th anniversary by the autumn since its foundations and is turning out this year about 400 students in engineer speciality in its traditional heading "From Dawn to Dusk" the newspaper gives lots of news covering the miscellaneous events and development in the country for example, it is informed that the inauguration ceremony of the days of Chinese movies have been held in the Central Cultural Palace of the Mongolian trade unions. [sentence as received]

One of the topics of the Mongolian press is celebrating today international day for protection of children. In this respect, the newspaper "ARDYN ERH" publishes the greetings by the National Centre for Children and the Union of Mongolian Children care organizations for the occasion of this date. The greetings said that under the present difficult conditions of transition of the country to a market economy the government of the country continues giving special notice on the issues referring to children, exerting all its efforts, reserves and opportunities for this purpose. The support and approval by the Mongolian people were given to the national programme for action of the Government of Mongolia for the development of children up to 2000.

T. Dashbaldan, a correspondent of the newspaper is dwelling upon the growth of criminality recorded in the country for the few last years in an article published by the newspaper. The author of the article citing precise figures and showings notes that for the few past years there has been observed a reduction in the economic showings of the country while the criminality rate is being risen sharply. From among the crimes most distinguished are thefts namely the cases of rustling the cattle. If in 1991 there were registered some 376 cases of cattle rustling, for 1992 such rate came to 448 and as much as 2314 cases of cattle rustling in 1993.

The governmental newspaper "ZASGIIN GAZRYN MEDEE" provides an extensive article by its correspondent D. Sandagsuren referring to the working trip of the Prime Minister P. Jasray made to the Dundgobi and Umnugobi Aimaks, where he got acquainted with the course of the implementation of the government programme, activities of primary state organizations and the living standards of the rural population of those Aimaks of Mongolia.

The newspaper carries an interview with the Minister of External Relations of Mongolia Ts. Gombosuren prior to his departure to Cairo for the regular conference of foreign ministers of nonaligned countries.

The newspaper publishes the text of the national programme for the development of health centres resorts and other medical recreation institutions of Mongolia having been approved during the last sitting of the government of 4 May of the year.

North Korea

Daily Says U.S. Cannot 'Justify' Military Option

SK0206052294 Pyongyang KCNA in English 0515 GMT 2 Jun 94

["U.S. Military Option Can Never Be Justified"—KCNA headline]

[Text] Pyongyang, June 2 (KCNA)—NODONG SINMUN today lambastes the bellicose outcries of U.S. hardline conservative forces driving the situation on the Korean peninsula into extremes.

U.S. Secretary of Defense William Perry recently took issue again with the "nuclear issue" of the DPRK. Talking about a "critical situation" which might be created in case "sanctions" are taken against the DPRK, he ordered a foreward deployment of the extra- large aircraft carrier in a place where it can launch into an operation on the Korean peninsula in a few days.

Meanwhile, U.S. Senator McCain called for deploying additional U.S. forces in South Korea and exercising "military strength," arguing that the peaceful nuclear program of the DPRK was a "threat" to U.S. security.

The daily brands this as a criminal move to commit an adventurous military action against the DPRK over the "nuclear issue."

The news analyst says:

A few days ago, the spokesman for the International Atomic Energy Agency and the official of the White House in charge of national security said they believed the DPRK did not divert nuclear fuel to other purposes.

Nevertheless, the U.S. hardline conservatives describe the DPRK's nuclear program as a "factor of threat to the U.S. security." This is a reversed logic of a brigand.

It goes without saying that this is an intrigue to justify their attempt at isolating and stifling the DPRK, branding it as "nuclear criminal."

It does not make sense at all that the DPRK which has no nuclear weapon and is engaged only in peaceful nuclear activities poses a "threat" to the United States far away across the ocean.

To talk about "threat to the United States" from the DPRK is as shameless as a murderer accusing the victim of a crime.

The campaign of the U.S. hardline conservative forces is a despicable and vulgar act aimed at raising the prestige of the U.S. military by deliberately aggravating the situation on the Korean peninsula and getting reward for their service for the arms trade of U.S. munitions monopolies.

With nothing can the United States justify its military option.

We are not afraid of any "military strength" and will sternly counter it.

U.S. Said Encouraging Nuclear Proliferation

SK0206091094 Pyongyang Korean Central Broadcasting Network in Korean 1650 GMT 31 May 94

[Unattributed talk: "The U.S. Imperialists Are the Criminals Who Are Encouraging the Proliferation of Nuclear Weapons"]

[Text] As a needle in a sack still pierces, it can no longer be possible to hide the fact that the United States is the mastermind of the proliferation of nuclear weapons.

As has already been reported, the SANKEI SHINBUN carried on 18 May an article entitled "The United States has Exported Nuclear-Related Equipment to Eight Countries Suspected To Be Engaged in Nuclear Development—There Is Even Criticism This Violates the Nuclear Nonproliferation Treaty [NPT]." The article quotes a 17 May report by the General Accounting Office [of the United States] that the United States had exported more than 1,500 pieces of material and equipment, which can diverted to the production of nuclear weapons, to various countries, including Israel, from fiscal year 1988 to 1992. This is a very grave development of the situation, which can make the NPT itself a scrap of paper, and is an intolerable criminal act that can arouse a high degree of alertness from the international community.

Until now, as a signatory of the NPT, the U.S. imperialists have said that they are prohibiting the proliferation of nuclear weapons. In reality, however, this is a falsehood and it has now been fully disclosed that the United States is none other than a criminal state that is encouraging nuclear proliferation.

As everyone knows the NPT stipulates that signatories cannot hand over equipment that can be used for the production of nuclear weapons—including nuclear weapons, of course, or other nuclear explosive devices—to other countries. This notwithstanding, the U.S. imperialists have not only indiscriminately exported materials and equipment necessary for the production of nuclear weapons to various countries, while ruthlessly violating the NPT, but also turned South Korea into the Far East's largest nuclear powder magazine by introducing about 1,000 nuclear weapons into South Korea alone.

In addition, recently the U.S. imperialists have continued introducing numerous lethal weapons, including Patriot missiles—weapons of mass destruction—and assault helicopter Apaches, into South Korea, and mobilized them in the area along the military demarcation line, thereby running wild in preparations for a nuclear war.

Such acts by the U.S. imperialists are creating a big obstacle to building a nuclear-free world and are seriously threatening the existence of mankind.

This clearly shows that the U.S. imperialists are the masterminds who are encouraging the proliferation of nuclear weapons and the basic source of nuclear calamity upon mankind.

What cannot be overlooked is the fact that the U.S. imperialists, the masterminds of the proliferation of nuclear weapons, are making an issue of the peaceful use of our nuclear energy while shamelessly talking about the need to abide by the NPT by finding fault with our nonexistent, so-called nuclear issue.

We cannot but say this is a brazen-faced thievish logic like a thief crying: Stop thief!

Starting with antisocialist, anti-Republic maneuverings, the United States, the ringleader of nuclear proliferation, is trying to give us a title of a nuclear criminal by artificially fabricating a falsehood named North Korea's nuclear issue. This is really ridiculous.

In actuality, what should be regarded seriously at the moment is the United States, which is preventing a nuclear-free world by exporting nuclear-related equipment to potential countries with nuclear weapons.

As a criminal state that is proliferating nuclear weapons, the United States should be judged in the culprit's dock of the international community.

The U.S. imperialists should not find fault with our peace-loving Republic, but apologize to the international community for their own criminal act of violating the NPT and encouraging nuclear proliferation, and should no longer apply the brake on the building of a nuclear-free world.

U.S. Stages 'Mobile Deployment Exercise' 22-23 May

SK2805022794 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 24 May 94

[Text] According to military sources, the U.S. imperialists conducted a series of aerial mobile deployment exercise on 22 and 23 May, lifting troops from U.S. bases in the Pacific area to South Korea.

Pursuit-assault planes and VTOL [vertical takeoff and landing] assault planes that took off from overseas bases flew into the U.S. occupation Air Force bases in South Korea on 23 May. Prior to this, on 22 May, squadrons of assault planes and pursuit-assault planes that left a base in Japan flew into the U.S. bases in South Korea.

This war exercise was aimed at examining overseas-based fighter planes' actual combat ability of rapid mobile deployment to South Korea.

In the meantime, C-141 and C-130 transport planes carrying many troops of the aggression army and war equipment took off from U.S. Pacific bases and flew into the U.S. occupation Air Force bases in South Korea on 22 May, and the troops and murderous equipment carried by air were deployed in areas of operations.

The U.S. imperialists' planned war exercise commotion is a grave challenge to peace and detente of Korea.

KCNA Reports 26 May U.S., ROK Military Activity

SK2805060894 Pyongyang KCNA in English 0548 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—The U.S. imperialists and the South Korean puppets staged a joint air war exercise to examine the capacity of a surprise strike on the North in the skies above Pyongchang, Hoengsong and Asan bay, South Korea, on May 26, military sources said.

It involved many overseas-based U.S. warplanes and fighter-bombers, assault planes, observation planes, reconnaissance planes and early warning planes belonging to the U.S. Airforce in South Korea and the puppet Airforce.

Meanwhile, 105-mm artillery groups and bandits of the puppet army took combat positions in Paju and Yonchon Counties, Kyonggi Province, and Chorwon County, South Korean Kangwon Province, and fired more than 300 shells and bullets of large-caliber machineguns at spots adjacent to the Demilitarized Zone along the Military Demarcation Line.

Radio Reports 27 May U.S. 'Aerial War Exercise'

SK0106033194 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 29 May 94

[Text] According to military sources, the U.S. imperialists on 27 May perpetrated a provocative aerial war exercise aimed at northward invasion.

Prior to this, pursuit-assault planes, vertical take-off and landing attack planes, and electronic jamming planes flew in from the U.S. bases in the Pacific region to the U.S. Air Force stationed in South Korea. The overseas-based flying corps were mobilized in the skies above Yongwol, Yangpyong, and Umsong on this day and were frenzied in the aerial war exercise aimed at northward invasion in cooperation with fighter planes of the U.S. Air Force stationed in South Korea.

In the war exercise staged amid electronic jamming under the command of EA-6, the flying corps from overseas bases and fighter-bombers, attack planes, observation planes, and reconnaissance planes of the U.S. Air Force stationed in South Korea were mobilized on a large-scale..

The war exercise was a reckless play with fire aimed at increasing their capabilities of making a surprise attack on the North and at enhancing cooperation between overseas-based flying corps and military planes of the U.S. Air Force stationed in South Korea. This is a clear proof that the U.S. imperialists are the ones who increase tension on the Korean peninsula.

27, 28 May U.S. 'Air War Exercise' Noted

SK3005055194 Pyongyang KCNA in English 0516 GMT 30 May 94

[Text] Pyongyang, May 30 (KCNA)—The U.S. imperialists staged an air war exercise, deploying scores of overseas-based nuclear-capable F-16 and F-15 fighter-bombers, assault planes, pursuit-assault planes, VTOL [vertical takeoff and landing] assault planes and anti-submarine planes in South Korea on May 27 and 28, military sources said.

This provocative war exercise was aimed at examining the quick deployment of overseas-based warplanes of various types in the Korean peninsula and their capacity of entering into action.

This war gamble was part of their preparations for a war of aggression to stifle the DPRK by force of arms.

KCNA Reports 29, 30 May U.S. 'Air War Exercises'

SK0106045694 Pyongyang KCNA in English 0412 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—The U.S. imperialists brought flying corps of scores of Pacific-based warplanes including F-15s, FA-18s and AV-8s and staged air war exercises against the North in the sky above South

Korea on May 29 and 30, making long-distance flights from the overseas bases to the U.S. Air Force bases in South Korea and vice versa, according to military sources.

On May 30 formations of Japan-based pursuit-assault planes and vtol assault planes held a surprise strike exercise against the North in the sky above Yongwol, Pyongchang and Asan Bay, South Korea, in coordination with fighter-bombers, assault planes, observation planes and reconnaissance planes of the U.S. Air Force in South Korea.

The continued reckless war gambles show well how desperately the U.S. imperialists are working to increase their combat capacity in a war against the North.

KCNA Reports 31 May U.S. Air Exercises

SK0206051794 Pyongyang KCNA in English 0449 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—The U.S. imperialists staged an exercise of surprise strikes at the strategic depth of the northern half of Korea in the sky above Yongwol and Tanyang of South Korea on May 31 with the massive mobilization of formations of overseas-based assault planes and pursuit-assault planes and flying corps of their airforce stationed in South Korea and the puppet airforce of South Korea, according to military sources.

On the same day, they staged an operation of airlifting a large military strength and combat equipment to their Air Force bases in South Korea with Pacific-based large transport planes.

Meanwhile, that day, 105 mm artillery groups of the puppet army in Chorwon and Yanggu Counties, South Korean Kangwon Province, fired some 50 shells into an area near the demilitarized zone along the Military Demarcation Line and heavily armed bandits of the puppet army in Paju and Yonchon Counties, Kyonggi Province, fired hundreds of large calibre machinegun bullets, coming in attack toward the Military Demarcation Line.

U.S. Staged Over 200 'Aerial Espionages' in May

SK3105043194 Pyongyang KCNA in English 0412 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—The U.S. imperialists have run amok in May in aerial espionages on the northern half of Korea by massively hurling various types of overseas-based reconnaissance planes into the sky above South Korea according to military sources.

Aerial espionages committed by the U.S. imperialists on the Northern half of Korea by mobilizing various types of strategic and tactical reconnaissance planes including "E-3s", "RC-135s", "U-2s", "RF-4cs", "RV-1s" "RC-12s", "EH-60s" and "P-3s" totalled more than 200 cases in May alone.

U.S. Congresswoman Urges Improved DPRK Ties

SK2805060594 Pyongyang KCNA in English 0551 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—U.S. Congresswoman Elizabeth Purse demanded a switchover in the Korea policy of the U.S.

In her letter of April 8 to the U.S. President and to the chairman of the House Armed Services Committee, she expressed concern over U.S. armed threat to North Korea.

No one says North Korea is producing nuclear fissionable materials, but the United States alone insists on that possibility, she said.

War preparations against North Korea do not conform to the supreme interests of the United States, she said, adding that she thinks the United States must not escalate tensions but pursue a policy for normalising relations with North Korea.

"Under the current situation," she said, "we must continue to use diplomatic means and improve relations with North Korea."

Spokesman Issues Statement on UNSC 'Allegations'

SK0206012294 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 1 Jun 94

[Text] A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea [DPRK] issued a statement on 1 June refuting the UN Security Council [UNSC] president's statement of unreasonable allegations of finding fault with us, which was released a few days ago.

Press statement of a spokesman of the DPRK Foreign Ministry:

The UN Security Council, on May 30, according to a scenario which had been worked out in advance by some member states, published a statement of its president groundlessly finding fault with us and containing the unreasonable claim that the fuel rods must be replaced only in compliance with the practical demands of the International Atomic Energy Agency [IAEA] and that the opportunity for selecting fuel rods for separation and preservation might be lost.

It is entirely unjust for the UN Security Council to have discussed our question without any justifiable reason on the basis of the wrong judgment made by the Secretariat of the IAEA. It was only a few days ago that negotiations on the replacement of fuel rods of the 5 megawatt experimental atomic power station were held between us and the agency.

The main question discussed at the negotiations was the preservation of technical possibilities of future measurement of replaced fuel rods and, in particular, there was sufficient debate on the reasonableness of the method we are applying at present.

The agency side, too, said it would seriously study our method and the two sides agreed to continue to discuss it in future negotiations.

And it was confirmed that none of the fuel rods being replaced were diverted for other purposes and, practically, that the whole course of the current replacement of fuel rods is going on in the presence of agency inspectors and under strict control of inspection equipment.

By the way, what justification on earth does the UN Security Council have to put our question on its agenda and discuss it now.

If things were to take a correct track, the UN Security Council should have called, not us, but some quarters of the agency secretariat, into question.

Before starting to replace fuel rods, on several occasions, we requested that the agency take necessary measures such as its presence and the removal of the seals. But it did not send a team of inspectors to the end, when the replacement of fuel rods began, thus openly neglecting its duty as an international organization. This was what some quarters of the IAEA Secretariat did.

Even when we allowed "an additional inspection" which alluded to "an inspection left incomplete," they shunned it, thus intentionally ignoring the statement of the president of the UN Security Council dated March 31.

It was also the agency's Secretariat that distorted the fact by talking as if the negotiations had broken down and hurriedly referred our problem to the UN Security Council without a clear explanation, categorically denying our method even before the negotiating delegation of the agency, which had promised to study the method, arrived at the head office in Vienna.

In all, such an act by the Secretariat of the IAEA was aimed at capping us ultimately with the title of culprit [pigo] by justifying their past behavior in concocting, by any means, "inconsistency" against us on the basis of fabricated information.

It is only too natural that our country, which has engaged itself only in peaceful nuclear activities as a dignified, independent, sovereign state, will not yield to such unreasonable act of the agency's Secretariat and allow itself to be treated as an offender [choein].

In view of this, the UN Security Council, instead of finding fault with us, should have taken issue with some officials of the IAEA Secretariat who laid hurdles in the way of our peaceful nuclear activities, framed sinister political intrigue to shift the blame on to us and referred the problem to the UN.

It is also self-contradictory that the presidential statement of the UN Security Council unreasonably urged us to allow selected separation and preservation of fuel rods and preservation of the possibility of future measurement.

Since we are in a unique status after the temporary suspension of the effectuation of our declared withdrawal from the Nuclear Nonproliferation Treaty, it is clear that we cannot accept such routine and ad hoc inspection as the selected preservation of fuel rods. A full understanding of this was reached at the recent negotiations with the agency.

Although we are replacing the fuel rods in a unique status, we are doing the utmost to show the transparency of our nuclear activities.

The replacement of fuel rods is taking place in such a way as to fully preserve the technical possibility of measuring the fuel rods in the future as requested by the agency when our unique status comes to an end.

This is the most scientific and realistic method invented by our scientists and facility operators with a high sense of cooperation, motivated by their consistent position to show the uprightness of the nuclear activities. Its feasibility has already been proven fully through experiments.

If this method of our style is applied, it will be possible to reproduce the channel and order of any fuel rods and measure them correctly in the future.

At the recent negotiations in Pyongyang, we gave the IAEA side a full explanation of our-style method concerning the replacement of fuel rods and suggested with a good intention that negotiations should be held any time if there were any more questions to be discussed.

There have been attempts these days to create the "urgency" of the situation by alleging that the pace of the replacement of fuel rods is too fast. Since it is part of the pure peaceful nuclear activities and technical possibilities for ensuring the continuity of safeguards and measuring fuel rods in the future are fully guaranteed, there is no ground for finding fault with the speed of replacing fuel rods.

It was necessary to test the maximum efficiency of the refueling machine that our replacement of fuel rods progressed at a rather fast speed some time ago. This was also a normal course of the peaceful nuclear activities. So, this is hardly a matter for surprise.

Such being the case, at a time when everything is progressing smoothly on a normal track, the UN Security Council discussed the biased report submitted by some officials of the Secretariat of the agency without any examination and hurriedly adopted a presidential statement. It is hardly understandable.

This was because they were too dull to sense the reality or they were affected by some sinister political background.

If the UN Security Council, for this matter, is disgracefully charged with being manipulated by some specified member nations while ignoring its noble mission to be responsible for world peace and security, it will be a shame to history.

Originally, the basis for the existence of an international organization is impartiality.

If the IAEA Secretariat and the UN Security Council, bereft of impartiality, continue to insist on pressure with an unreasonable attitude, we will not feel any need to be restricted by such pressure, either.

It is intolerable that we have suffered from big obstacles in our peaceful nuclear activities, restricted by the unilateral demand of the IAEA. In case pressure is put on us again, we will no longer fall victim to the unreasonable demand but will have to go our own way, unhindered by anything.

This is our firm will, who regard independence as our life and blood.

If some officials of the IAEA Secretariat declare that the technical possibilities of the future measurement of fuel rods are gone or the UN Security Council puts pressure on us, talking about sanctions under that pretext, we cannot but take the course of taking decisive countermeasures, freeing ourselves from such unreasonable restrictions rather than suffering from them, and we will be left with no other choice but to go over to the continuous process of the peaceful nuclear activities. We will respond any time with utmost sincerity to the intention to solve the issue in a fair way and resolve it in a peaceful way through dialogue. But we will counter without slightest compromise even the slightest intention to ignore our sovereignty by unjustifiably putting pressure on us.

KCNA Cites Spokesman's Statement

SK0206055994 Pyongyang KCNA in English 0533 GMT 2 Jun 94

["Statement of UN Security Council President on Replacement of Fuel Rods Refuted"—KCNA headline]

[Text] Pyongyang, June 2 (KCNA)—The United Nations Security Council, on May 30, according to a scenario which had been worked out by some member states, published a statement of its president groundlessly slandering the DPRK and containing the unreasonable claim that the fuel rods must be replaced strictly in compliance with the practical demands of the International Atomic Energy Agency (IAEA) and the opportunity of selected separation and preservation of fuel rods might be lost.

This is entirely wrong for the security council, said a spokesman for the Foreign Ministry of the Democratic People's Republic of Korea in a statement published on June 1.

If things were to take a correct track, the security council should have called in question not the DPRK, but some quarters of the agency secretariat, the spokesman said, and went on:

Before starting refueling, we had requested the agency several times to take necessary measures such as its presence and the removal of the seals. But it failed to send a group of inspectors till refueling began, thus openly neglecting its duty as an international organisation. This was what some quarters of the secretariat did.

The UN Security Council, instead of finding fault with the DPRK, should have taken issue with some officials of the IAEA Secretariat who laid huddles in the way of the DPRK's peaceful nuclear activities, framed a sinister political intrigue to shift the blame on to the DPRK and transferred the problem to the United Nations.

If the IAEA Secretariat and the UN Security Council, bereft of impartiality, insist on pressure with an unreasonable attitude, we will no longer feel any need to be restricted by such pressure.

It is more than intolerable that we have suffered from big obstacles in our peaceful nuclear activities, restricted by the unilateral demand of the IAEA. In case pressure is put on us again, we will no longer fall a victim to the unreasonable demand but will have to go our own way, unhindered by anything.

This is the unshakable will of the Korean people, who regard independence as their life and blood.

If some officials of the IAEA Secretariat declare that the technical possibilities of the future measurement of fuel rods were gone or the UN Security Council put pressure on the DPRK, threatening "sanctions" under that pretext, we cannot but take decisive countermeasures, rather freeing ourselves from such unreasonable restrictions than suffering from them, and we will be left with no other choice but to go over to the continuous process of the peaceful nuclear activities.

We will respond any time with utmost sincerity to the intention to deal with the issue in a fair way and resolve it in a peaceful way through dialogue. But we will counter without slightest compromise any intention to unjustifiably put pressure on us, ignoring our sovereignty, if but a little.

Minister Sends Letter to UN on 'Peace Arrangement'

SK0206105694 Pyongyang KCNA in English 1042 GMT 2 Jun 94

["Vice-Premier and Foreign Minister Kim Yong-nam Sends Letter to UN Secretary General Over Establishment of New Peace Arrangement"—KCNA headline]

[Text] Pyongyang, June 2 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam sent a letter to UN Secretary General Butrus Butrus-Ghali on May 28 regarding an important measure taken by the DPRK Government recently to establish a new peace arrangement on the Korean peninsula.

Recalling that the DPRK Government, through a statement of the Foreign Ministry April 28, proposed to the United States to hold negotiations to establish a new peace arrangement that would replace the old armistice mechanism, the letter says:

As you confirmed personally during your visit to our country toward the end of last year, an unstable state of truce, neither peace nor war, has lasted for more than 40 years on the Korean peninsula.

The situation on the Korean peninsula has become all the more strained and the possibility of a total armed conflict is increasing because the United States, entering this year, has massed huge reinforcements in and around South Korea and stepped up its military actions against the DPRK on the pretext of the "nuclear issue".

The Korean Armistice Agreement and its observation mechanism should have controlled such actions, but they have failed to play any role due to the U.S. side's systematic acts of breach and destruction.

In 1956 the United States expelled Neutral Nations Inspection teams stationed at the appropriate ports of entry under Paragraph C, Article 2 of the Korean Armistice Agreement from the area under its control and, on June 21, 1957, it unilaterally renounced Subparagraph 13d of the Korean Armistice Agreement which stipulates that the introduction into Korea of reinforcing combat equipment shall be ceased. Since then the United States has shipped sophisticated weapons including more than 1,000 pieces of nuclear weapons into South Korea without any restrictions and it has become all the more undisguised of late in its shipments of such combat equipment.

Having systematically destroyed the military armistice mechanism, the U.S. side completely paralyzed it by unilaterally appointing as the senior member of the "UN Forces" side to the Military Armistice Commission (MAC) a South Korean serviceman without any legal justification or qualification in view of the Armistice Agreement on March 25, 1991.

The present-day reality in which the basic provisions of the Armistice Agreement that should guarantee peace on the Korean peninsula have been scrapped and the armistice observation mechanism now remains only in name requires that a decisive measure be taken to establish a new security arrangement for saving the situation which has reached the danger line and preventing arms buildup and the outbreak of another war.

In fact, the Korean Armistice Agreement signed on July 27, 1953, was a tentative measure taken to stop combat actions between the belligerent parties and taken in anticipation of its conversion to a peace agreement in the future.

The adoption of the resolution (3390, b) calling for the dissolution of the "UN command" and the replacement of the Armistice Agreement by a peace agreement at the 30th session of the UN General Assembly in 1975, therefore, was a very just measure to ensure a lasting peace on the Korean peninsula and it opened a bright vista for the final solution of the Korean question.

The DPRK Government has taken initiatives and proposed negotiations on many occasions to ensure a durable peace on the Korean peninsula and made tireless efforts to carry them into effect. Nonaggression was vowed by the North and the South through the "agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South" adopted in 1992 as a result of our positive efforts. But we are still in a state of truce vis-a-vis the United States which keeps its Armed Forces stationed in South Korea.

The "UN command", known as a signatory to the Armistice Agreement, serves for the strategic aim of the United States to isolate and stifle the DPRK and establish control over Asia and the Pacific region, an aim which has nothing to do with the UN mission to keep peace in South Korea. I think, therefore, that there is no condition for the U.S. Forces present in South Korea to act "UN Forces" any longer. [sentence as received]

Taking into consideration the actual conditions where a grave situation threatening peace had been created on the Korean peninsula but there was no rational institutional mechanism capable of controling it, the DPRK Government proposed to the U.S. side to negotiate the establishment of a new durable peace arrangement that will replace the old armistice mechanism and, at the same time, took practical measures of recalling all the members of the Korean People's Army (KPA) side from the MAC, setting up the KPA mission at Panmunjom as a new mechanism for negotiations with the U.S. Forces side and of appointing the chief and members of the mission.

This is, to all intents and purposes, an innovative and well- intentioned step to make a breakthrough in establishing a new security arrangement for peace on the Korean peninsula and a peaceloving step that took into account the publicly accepted international usage whereby some countries abandoned the relationship of hostilities after the Second World War and declared peace relationship instead.

I consider that the United Nations must pay due attention to our proposal in the sense of liquidating its unpleasant past vis-a-vis the DPRK, its member state, and in the sense of fulfilling its resolution to replace the Armistice Agreement with a peace agreement.

The "nuclear issue" over which some countries are now making a fuss is, in fact, not a question to be discussed by the United Nations, but one that must be solved through negotiations between the DPRK and the U.S.

Taking "sanctions" against the DPRK, yielding to the unjust demand of some countries, it will, no doubt, bring devastating consequences menacing peace in Asia and the rest of the world, not to speak of the Korean peninsula.

With a view to accelerating the process of the replacement of the Armistice Agreement with a peace agreement in accordance with the resolution of the 30th General Assembly, the United Nations must take a practical step to dismantle the "UN command", the framework of the old armistice structure.

In the letter Kim Yong-nam expresses the hope that the UN secretary-general will pay a particular attention to the peace overture of the DPRK to establish a new peace arrangement through the medium of the DPRK-U.S. negotiations and actively cooperate in its materialisation.

ROK Groups Invited To Discuss National Conference

SK0206051594 Pyongyang KCNA in English 0440 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—Chairwoman of the C.C. [Central Committee], the Chondoist Chongu Party Yu Mi-yong in a statement Wednesday urged the political parties and religious organizations of South Korea to accede to a contact at an earlier date to discuss the convocation of a national conference.

She said the choice of the entire fellow countrymen for warding off the danger of a nuclear war hanging over the nation, defending peace of the country and opening a signal phase for the independent and peaceful reunification of the country is the great unity of the whole nation and the convocation of a national conference that may help pool the patriotic will and efforts of the nation.

"We Chondoist believers cannot give up our hope for a national conference although a tiny handful of those in South Korea opposed to dialogue and reunification are laying hurdles in our way," she said, and added: "We urge that our Chondoist Chongu Party and political parties of South Korea should have bilateral or multilateral contacts at an early date to discuss the convocation of a national conference."

She expressed the hope that the South Korean authorities, though belatedly, would show a positive response to the proposal for convocation of a national conference and take due measures to select promptly South side's delegates to the preparatory committee for a national conference so that the committee might tackle down to its task.

Pamphlets Praising Kim Il-song Distributed in ROK

SK0106050094 Pyongyang KCNA in English 0413 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—The book "The 21st Century and the Leader" and other books praising the chuche idea founded by the great leader President Kim Il-song are being distributed among people of different strata and families in South Korea, according to a radio report from Seoul.

The chairman of the Democratic Liberal Party, upset by this, called "an enlarged meeting of party officials" on May 30 and cried that a measure must be taken to check it.

Group Protests Kim Yong-sam's Moscow Trip

SK3005055594 Pyongyang KCNA in English 0525 GMT 30 May 94

[Text] Moscow, May 30 (KCNA)—V. Tolstsikov, chairman of the Central Council of the Russian Association for Friendship and Cultural Cooperation with the Democratic People's Republic of Korea, sent a letter on May 26 to Russian President Boris Yeltsin concerning Kim Yong-sam's trip to Moscow slated for early June.

In the letter dated May 25 he said it was made known through publications recently that Yeltsin would meet Kim Yong-sam of South Korea and discuss "North Korea's nuclear issue" with him. Judging from the recent foreign trips of the South Korean big shot, he said, one can guess easily that one of the basic aims to be sought by him in his forthcoming visit to Russia is to discuss this issue.

Noting that this South Korean has been peddling the fake ware of "North Korea's nuclear issue", he said this is, in essence, aimed at slandering the DPRK, impairing its prestige and, furthermore, at stifling and destroying it as their masters across the ocean are seeking to do so.

The DPRK is an independent state and an ally of Russia, he stressed, asking Yeltsin not to do acts of distressing the DPRK, a state which has been friendly to Russia for scores of years.

Radio Denounces ROK Plan To Buy Destroyers

SK2805014494 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 23 May 94

[Text] According to South Korea's CHUNGANG ILBO, the puppet Defense Ministry decided on 13 May to purchase naval destroyers from a foreign country, talking about reinforcement of the Navy. According to the decision, the puppets will introduce three naval destroyers in the country.

On 12 May, the South Korean warmongers who are running wild to strengthen Armed Forces for a northward invasion deployed CN-235M, a new-type transport plane recently introduced from a foreign country.

Papers Denounce 'Suppression' of ROK Students

SK0206053494 Pyongyang KCNA in English 0459 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—The Kim Yong-sam group made "a sweeping search" of the South Korean Federation of General Student Councils (Hanchongnyon) and launched a wholesale arrest of core leaders on charges of "open pro-North, pro-communist tendencies" and "violation of the National Security Law."

Papers here today brand it as a premeditated fascist offensive to suppress and strangle Hanchongnyon, the patriotic vanguard organisation of the South Korean students.

An analyst of NODONG SINMUN says:

The fascist clique is brandishing the sword at Hanchongnyon, labeling it as a "pro-communist, enemy-benefiting organisation". But this is an illegal fascist action which can never be justified.

The criminal Kim Yong-sam group's suppression of the righteous- minded students who did praise-worthy things for the nation is a violence of fascist hooligans who have lost the last shred of national conscience and human reason.

It is an unjustifiable anti-national crime for the puppets to invoke the "National Security Law" against South Korean students for the mere reason that they refuse obedience to the reactionary rule and advocate patriotism and justice.

It is crystal clear that "democracy" and "civilian politics" advertised by the Kim Yong-sam group is a camouflage to conceal its true color as civilian fascists and the group is seeking a way out in crackdown on the just struggle of the students and people.

A MINJU CHOSON analyst says:

The Kim Yong-sam group must scrap the anti-democratic, anti- reunification "National Security Law" and immediately stop the suppression of Hanchongnyon and students.

Provincial Student Group Inaugurated in ROK

SK3105103094 Pyongyang KCNA in English 1008 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—The inaugural ceremony of the South Chungchong Provincial Federation of General Student Councils (Chungnam Chongnyon) was held in Chonan on May 6 and 7 with the attendance of some 2,000 students of 13 universities and colleges in South Chungchong Province, South Korea, according to a report.

At the ceremony the students declared that 40,000 students would unite under the banner of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and fight vigorously for independence, democracy and reunification and for the abolition of the "National Security Law".

Students in an inaugural declaration said they would check the opening of agricultural market by the South Korean authorities.

KCNA Notes National Teachers' Rally Held in ROK

SK3105043494 Pyongyang KCNA in English 0415 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—An estimated 15,000 teachers affiliated with the National Teachers' Union (Chongyojo) held a national teachers' rally for educational reform on the plaza of Tongguk University in Seoul on May 29, a Seoul- based radio reported.

Chairwoman of Chongyojo Chong Hae-sok in her opening address said "the educational sector has gone backward as the present 'regime' that had advocated an 'educational reform' when coming to power, has not worked up details for reform."

She criticized the "government" for trying to disorganize Chongyojo, not recognizing it, and repeatedly urged the authorities to legalize Chongyojo.

Factory Rallies Support 'Struggle' of ROK Workers

SK2805111394 Pyongyang KCNA in English 1006 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—Rallies of workers were held at factories in Pyongyang supporting and encouraging the struggle of the South Korean workers for wage hike.

The speakers at the rallies said that the South Korean workers were paid less than one fourth of the minimum living cost for their intensive labour of longest working hour in the world. But the Kim Yong-sam group is pursuing even the wage-curbing policy under the pretext of "share of pains", they noted.

Charging that the South Korean puppet clique issued an order to brand the struggle of the workers for wage hike and "labour-management dispute" as illegal to severely counter them and mobilised all the repressive forces to crack down on them at the point of bayonet, they said:

"If the South Korean workers vacillate in the present-day struggle or pin any illusion and expectation on the authorities and enterpreneurs, it will result in binding them faster to the chains of oppression and capital," the speakers said, and stressed:

The South Korean workers must give a teaching to the exploiters in concerted efforts.

The South Korean workers must wage a vigorous struggle to get U.S. imperialist forces of aggression withdrawn from South Korea, abolish the fascist laws and repressive tools, let the present "civilian" government resign and establish a genuine independent government.

The working class in the northern palf of Korea will achieve the reunification of the country without fail by pooling efforts with the South Korean workers.

MINJU CHOSON Criticizes Japan's 'Militarism'

SK0206103094 Pyongyang KCNA in English 1023 GMT 2 Jun 94

["Japan's Crimes in Aggression Can Never be Pardoned"—KCNA headline]

[Text] Pyongyang, June 2 (KCNA)—MINJU CHOSON today points out that the Japanese authorities and reactionaries are stepping up the moves to revive militarism and convert Japan into a military power while refusing to admit Japan's past crimes.

This was made clear when Japanese Prime Minister Tsutomu Hata said recently at the Budget Committee of the House of Representatives that he had no intention to define the war waged by Japan against Asian nations in the past as "a war of aggression" and Ichiro Ozawa, secretary general of Shinseito brought forward the doctrine of "ordinary state", the analyst says, and continues:

Immeasurable are the misfortunes and disasters imposed on the Korean and other Asian peoples by the Japanese imperialists' war of aggression and their policy of colonial looting. Nevertheless, the Japanese authorities and reactionaries refuse to properly admit Japan's past crimes. This well shows how shameless they are.

Just voices demanding the liquidation of the Japanese imperialists' past doings are growing louder not only among the Asian people but also among the world people. The Japanese authorities and reactionaries, far from lending an ear to their just demand and honestly responding to it, are now racing headlong toward the conversion of Japan into a military power, denying that the war started by Japan was "a war of aggression." Yet the Japanese authorities are coveting a permanent seat of the United Nations Security Council.

The acts of the Japanese authorities and reactionaries can never be tolerated.

The Japanese authorities should act with discretion, mindful that their acts are an intolerable challenge to the people in Asia and the rest of the world.

Korean Residents in Japan Protest 'Smear Campaign'

SK2805114494 Pyongyang KCNA in English 1018 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—Korean residents in Japan and Japanese people bitterly denounced the Japanese Government's smear campaign against the DPRK and suppression of the General Association of Korean residents in Japan (Chongnyon).

So Man-sol, vice-chairman of the Central Standing Committee of Chongnyon, in a talk with compatriots of the Fukuyama branch of Chongnyon in Hiroshima prefecture on May 18 said the ulterior intention of the unreasonable search of the Osaka prefectural organisation of Chongnyon by Japanese police on the pretext of "forcible obstruction to business" was to destroy the organisation and activity of Chongnyon.

Kim Hwa-hyo, vice-chairman of the Association of Korean Social Scientists in Japan, in a lecture on May 14 branded the police search as a deliberate and premeditated political repression.

Koreans under the Hyogo, Nara and Wakayama prefectural headquarters of Chongnyon, representatives of the Gifu and Mie prefectural headquarters of the League of Korean Youth in Japan and teachers and students of the Tohoku Korean Primary, Junior and Senior Middle School joined the protests of the officials and compatriots under the Osaka prefectural headquarters of Chongnyon.

Japanese people expressed solidarity with the struggle of Koreans in Japan.

Saichiro Uesugi, chairman of the Executive Committee of the Buraku Liberation League in Tokyo, expressed deep concern over the crackdown on Chongnyon organisation by Japanese police and vowed to strive for a solution to this incident.

Den Araki, vice chairman of the Osaka prefectural headquarters of the Japan Social-Democratic Party, said his party would firmly solidarize with Chongnyon and counter the anti-Chongnyon campaign.

Koreans in Japan Protest Crackdown on Chongnyon

SK3105102894 Pyongyang KCNA in English 1006 GMT 31 May 94

[Text] Tokyo, May 28 [date as received] (KNS-KCNA)—Koreans in Japan strongly protested against the Japanese authorities' crackdown on the General Association of Korean Residents in Japan (Chongnyon).

Officials under the Osaka prefectural headquarters of Chongnyon, some 200 Koreans in Japan and young people under the Hiroshima prefectural headquarters of the League of Korean Youth in Japan (Chochong) May 25 lodged a protest with the Osaka prefectural police headquarters and the Higashi Police Station and strongly demanded an apology and return of the confiscated materials.

All branch officials and compatriots under the Tokyo metropolitan headquarters of Chongnyon conducted a street propaganda at 19 railway stations in Tokyo over May 26-27 and distributed 100,000 copies of a handbill condemning the police brutalities. A meeting of activists of the Osaka prefectural headquarters of Chochong was held on May 21 to firmly defend Chongnyon organizations and more staunchly struggle against the Japanese authorities.

Protests also were launched vigorously among Koreans under Chongnyon in different areas of Japan including Aichi and Hiroshima prefectures.

Friendship Groups Protest Treatment of Chongnyon

SK0206102394 Pyongyang KCNA in English 1002 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—Delegates of Japan-Korea friendship organisations denounced the Japanese authorities' hostile acts against the General Association of Korean Residents in Japan (Chongnyon) on May 26.

Akira Iwai, chairman of the Japan Committee for Supporting the Independent and Peaceful Reunification of Korea, Shigeru Tokoi, chairman of the Executive Committee of the Forum on the Human Rights of Korean Residents in Japan, Masako Yamashita, advisor to the Japan Women's Society and other delegates formed a fact-finding team to investigate the suppression of the Osaka organisation of Chongnyon and called for an immediate return of the documents and materials seized by the Osaka prefectural police to the Osaka prefectural headquarters of Chongnyon.

They demanded that the Japanese authorities apologize to Chongnyon for the suppression and immediately stop search of Chongnyon and its affiliated organisations, which is aimed at political crackdown.

Japanese Treatment of Chongnyon Criticized Abroad

SK3105151994 Pyongyang KCNA in English 1509 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—Japanese authorities' suppression of the General Association of Korean Residents in Japan (Chongnyon) has come under fire in different countries. The Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea in a statement May 20 said the Japanese reactionaries have perpetrated a vicious anti-Chongnyon campaign, while scheming to hurl their Armed Forces into the Korean peninsula by drawing up a "security emergency legislative arrangement", but they are greatly mistaken.

The Japanese reactionaries must correctly understand the socialist Korea, the statement stressed, and added: If they do not stop at once their reckless anti-DPRK, anti-Chongnyon campaign, they will bump into curses and condemnations from the Korean people and the world people.

The Nepal-Korea Friendship Association in a statement May 20 said the police search of the Osaka prefectural headquarters of Chongnyon by the Japanese authorities was part of their political intrigues to suppress Chongnyon and a crude violation of the democratic national rights of the Korean citizens in Japan.

The Nigeria-DPRK Friendship Association in a statement May 17 strongly urged the Japanese authorities to renounce the hostile policy towards the DPRK and stop at once the suppression of Chongnyon and apologize for it.

Chongnyon Supports Leader's Reunification Program

SK0206102794 Pyongyang KCNA in English 1011 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—Activities to support and implement the "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" have been conducted vigorously within the General Association of Korean Residents in Japan (Chongnyon), an authoritative organization of overseas citizens of the Democratic People's Republic of Korea, in the last one year or a little more since the programme was laid down by the great leader Generalissimo Kim Il-song on April 6, 1993.

A statement of the Central Standing Committee of Chongnyon and 14 press statements by Chongnyon Chairman Han Tok-su and personages of various strata supporting the 10-point programme were released immediately after the programme was published.

Meetings to support and implement the 10-point programme have been held at 42 prefectural headquarters since the central meeting of the Korean residents in Japan.

It was stressed in unison at the meetings that the 10-point programme of the great unity of the whole nation is a common reunification charter of the nation and a great political programme which makes it possible to tide over the present rigorous difficulties and achieve peace and reunification of the country by the united efforts of the whole nation.

Rallies, study meetings, lectures and seminars were held widely by organizations of Chongnyon and 4,173 cases of mass rallies, street demonstrations, motorcade and bicycle parades were staged.

324,122 Korean residents in Japan participated in the signature campaign supporting the 10-point programme in only three months.

Delegation Meets PRC Political Figure in Beijing

SK2905070794 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 26 May 94

[Text] Comrade Wang Hanbin, alternate member of the Political Bureau of the CPC Central Committee and vice chairman of the Standing Committee of the National People's Congress, met the NODONG SINMUN delegation led by Deputy Editor-in-Chief Kim Taek-hun, which is visiting China, on 25 May. Talks were held amid a friendly atmosphere during the meeting. (Fan Jingli), responsible editor-in-chief of PRC's RENMIN RIBAO, and Chu Chang-chun, DPRK ambassador to PRC, were on hand.

Student Committee Delegation Returns From PRC

SK2905082094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 May 94

[Text] The Korean student committee delegation which visited China returned home by train on 27 May.

PRC Envoy, Embassy Employees Help With Rice Crop

SK2905061694 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 25 May 94

[Text] Qiao Zonghuai, PRC ambassador to DPRK, and employees of the PRC Embassy helped with rice transplanting at the DPRK-PRC friendship Paekam cooperative farm on 24 May. Embraced with the enthusiasm to loyally elucidate this year, which marks the 30th anniversary of the publishing of the rural theses, into achieving a bumper crop, the guests carried out rice seedlings and worked to remove the young rice plants from the seedbeds with the workers of the second subwork team field of the No. 1 work team that almost finished the rice transplanting. During rest time, the guests chatted with the workers and all the more consolidated a sentiment of friendship.

Cambodian Roundtable Conclude; Delegates Depart

Delegation Presents Gift to Kim il-song

SK2805120894 Pyongyang KCNA in English 1101 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today received a floral basket from H.M. King Norodom Sihanouk, H.E. Prince Chea Sim, acting head of state and president of the National Assembly, H.R.H. Prince Norodom Ranariddh, first prime minister, H.E. Prince Hun Sen, second prime minister, and H.E. Khieu Samphan, president of the Democratic Cambodia side, who had participated in the roundtable conference for peace and national reconciliation of Cambodia.

Premier Kang Song-san, Vice President Yi Chong-ok, First Vice Foreign Minister Kang Sok-chu and Vice Foreign Minister Cho Kyu-il were present.

After presenting the floral basket to President Kim Il-song, the Cambodian guests wished him a long life in good health.

President Kim Il-song expressed thanks for this.

Delivers Gift for Kim Chong-il

SK2805120794 Pyongyang KCNA in English 1103 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army, received a gift from H.E. Prince Chea Sim, acting head of state and president of the National Assembly, H.R.H. Prince Norodom Ranariddh, first prime minister, and H.E. Prince Hun Sen, second prime minister, and the suite from Cambodia.

The gift was handed to an official concerned today.

Khieu Samphan Departs 31 May

SK3105104694 Pyongyang KCNA in English 1022 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—His Excellency Khieu Samphan, president of the democratic Cambodia side, and his entourage left here today by air after participating in the roundtable conference for peace and national reconciliation of Cambodia.

They were seen off at the airport by Vice Foreign Minister Cho Kyu-il and Cambodian Royal Ambassador E.P. [extraordinary and plenipotentiary] to Korea Oum Mannorine.

Sihanouk Departs 2 Jun

SK0206060394 Pyongyang KCNA in English 0535 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—His Majesty King Norodom Sihanouk of Cambodia who had come to preside over a roundtable conference for peace and national reconciliation of Cambodia left here today by special plane.

Leaving were also Her Majesty the queen and entourage of the king.

They were seen off at the airport by Vice-president Yi Chong-ok and officials concerned.

Officials of the Royal Embassy of Cambodia here and Qiao Zonghuai, Chinese Ambassador E.P. to Korea, were present at the airport.

Union Federation Holds Banquet for Lao Delegation

SK0106045894 Pyongyang KCNA in English 0415 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—A delegation of the Lao Federation of Trade Unions led by its Chairman Khampane Philavong arrived here Tuesday.

It was met at the airport by Chu Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea.

The Central Committee of the GFTUK gave a banquet for the delegation in the evening.

Kim Il-song Sends Condolences to Honecker's Widow

SK0106044994 Pyongyang KCNA in English 0409 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea Tuesday sent a message of condolence to Margot Honecker, the widow of Erich Honecker, upon the death of her husband.

President Kim Il-song expressed deep condolences to Mrs. Honecker and her family and relatives.

Recalling that Erich Honecker was invariably faithful to the revolutionary cause of the working class for socialism and peace against imperialism and fascism and actively supported the Korean people in the cause of socialist construction and national reunification, President Kim Il-song said the exploits he performed in his lifetime would remain for ever.

Kim Chong-il Greets Indian, Egyptian Party Leaders

SK2905092694 Pyongyang KCNA in English 0800 GMT 29 May 94

[Text] Pyongyang, May 29 (KCNA)—The dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, sent messages to Indrajit Gupta, general secretary of the National Council of the Communist Party of India, and Youssef Amin Wali, general secretary of the Egyptian National Democratic Party, in reply to their messages of greetings on the 62nd anniversary of the founding of the Korean People's Army.

The reply messages expressed the belief that the friendly and cooperative relations between the Workers' Party of Korea and these parties would develop more favorably and wished them success in their responsible work to strengthen the parties.

WPK Replies to Indian, Brazilian Greetings

SK3005045994 Pyongyang KCNA in English 0448 GMT 30 May 94

[Text] Pyongyang, May 30 (KCNA)—The Central Committee of the Workers' Party of Korea sent messages to the Central Committee of the Communist Party of India (Marxist) and the Central Committee of the October 8 Revolutionary Movement of Brazil in reply to their greetings on the occasion of the 62nd founding anniversary of the Korean People's Army [KPA].

In the reply messages it expressed deep thanks to them for the wholehearted congratulations they extended to the dear leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, on the 62nd founding anniversary of the KPA, and expressed the belief that the friendly and cooperative relations between the WPK and these parties would grow stronger and develop.

WPK Sends Greetings to Nicaragua's Daniel Ortega

SK3105105694 Pyongyang KCNA in English 1030 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] Monday sent a message of greetings to Daniel Ortega Saavedra upon his reelection as secretary general of the Sandinist National Liberation Front of Nicaragua.

Expressing the belief that the friendly and cooperative relations between the two parties would continue to develop, the message wished the secretary general big success in his responsible work to implement the resolutions of the front congress.

Kim Il-song Sends Message to President of Croatia

SK2905092494 Pyongyang KCNA in English 0821 GMT 29 May 94

[Text] Pyongyang, May 29 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea May 27 sent a message of greetings to Franjo Tudjman, president of the Republic of Croatia, on the national day of his country.

The message wished him and the croatian people success in the work for peace and prosperity of Croatia.

Bucharest Ceremony Held on Publication of Book

SK3105104194 Pyongyang KCNA in English 1015 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—A ceremony for the publication of the book "Traveller to Korea, the Land of Morning Calm" written by Prof. and Dr. Alexandru Mika was held at the Dacia bookstore in Bucharest on May 27.

Addressing the ceremony Alexandru Mika said that Korea with a long history of over 5,000 years is now prospering under the wise leadership of President Kim Il-song and Comrade Kim Chong-il.

He elaborated on the brilliant cultural tradition and present achievements of the Korean people.

Noting that Korea remains divided due to the interference of outside forces, he stressed: "The Korean people will surely achieve the reunification of the country by confederacy formula proposed by President Kim Il-song."

Kim Il-song Sends Greetings To Malawi President

SK2705115094 Pyongyang KCNA in English 1113 GMT 27 May 94

[Text] Pyongyang, May 27 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on May 27 sent a message of greetings to Bakili Muluzi on his election as president of the Republic of Malawi.

Expressing the belief that the friendly relations between the two countries would continuously develop in the interests of the two peoples, the message wished the president success in the work for the prosperity of the country.

SPA Delegates Meet Cameroon Council Chairman

SK0106040594 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 31 May 94

[Text] A delegation of the DPRK Supreme People's Assembly led by Chairman Yang Hyong-sop paid a courtesy visit to chairman of Cameroonian National Council on 23 May. The chairman said at the meeting that the Korean people, who receive a wise leadership of President Kim Il-song, the respected and beloved leader, are great people who solve all problems with their own might, as well as people who receive great praise and admiration from the Cameroonian people. He pointed out that the nuclear issue on the Korean peninsula must be solved by dialogue, not by pressure or war.

The Cameroonian National Council arranged a banquet that day. Participants in the banquet proposed a toast for the long life of great leader Comrade Kim Il-song, for the dear leader Comrade Kim Chong-il, and for Cameroonian President Paul Biya.

On the same day, the delegation participated in a meeting with members of Cameroon-Korea Friendship Lawmaker Association. On 25 May, the delegation paid a courtesy visit to vice prime minister for Cameroonian territory and administration. On 26 May, it met with minister of Cameroonian External Relations.

While it was in Cameroon, it visited the southwest area and the maritime province of the country and toured a crude oil refinery plant [wonyu chongje kongjang] and other oil companies [chongyu hoesa] there.

Assembly Chairman Greets Tanzanian Counterpart

SK2705115194 Pyongyang KCNA in English 1114 GMT 27 May 94

[Text] Pyongyang, May 27 (KCNA)—Chairman of the Supreme People's Assembly Yang Hyong-sop sent a message of greetings to Pius Msekwa upon his election as speaker of the National Assembly of the United Republic of Tanzania.

Expressing the belief that the friendly and cooperative relations between the two parliaments will grow stronger and develop, the message wished the speaker greater success in his work for national unity and the prosperity of the country.

Foreign Papers Report on Impressions of Korea

SK0206102494 Pyongyang KCNA in English 1006 GMT 2 Jun 94

["A Country Where Power Is in the Hands of Popular Masses"—KCNA headline]

[Text] Pyongyang, June 2 (KCNA)—Hardial Bainz, national leader of the Communist Party of Canada (Marxist-Leninist), in his memoirs on the looks of the re-built Korea, which was published in a recent issue of the Canadian paper TODAY AND TOMORROW, said during his stay in the Democratic People's Republic of Korea, he could see at first hand the Korean people shaping their own destinies by their devoted efforts, and realized that Korea is, indeed, a country where the power is entirely in the hands of the popular masses and which was built by the people for themselves.

The memoir says the United States that provoked an aggressive war and destroyed everything in Korea in order to block the victorious advance of communism after the Second World War, blared that Korea would be unable to recover even in 100 years, but Korea completed the reconstruction in a short span of time and has now set an example of human efforts and creation.

The author wrote that through the visit to Korea, he knew that Korea has a mysterious strength capable of smashing imperialism and that strength is the single-hearted unity of the Korean people who are struggling for the national reunification, firmly rallied behind the party and the leader.

The Nepalese paper DRISTI quoted the former director of the Organizational Department of the C.C. [Central Committee], the Nepal Communist Party (United Marxism-Leninism), Jeev Raj Ashrit, as saying in his impressions of Korea that the entire Korean people are feeling satisfied with and proud of the socialist life they enjoy and striving to realize the national reunification independently and peacefully.

Kim Il-song Receives Widow of Anti-Japan 'Martyr'

SK3105041594 Pyongyang KCNA in English 0405 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—The great leader President Kim Il-song Monday received again a visiting Chinese woman related to the anti-Japanese revolutionary struggle, Hu Zhenyi, widow of Chai Shirong, a Chinese anti-Japanese revolutionary martyr, and her family members.

President Kim Il-song had a cordial conversation with the guests looking back with deep emotions on unforgettable days of the anti- Japanese armed struggle.

He gave gifts to the guests and hosted a luncheon for them.

Present were Kang Sok-song, director of the party history institute of the Central Committee of the Workers' Party of Korea, and officials concerned.

Seminar Marks Kim Il-song Advance to Musan

SK0106052294 Pyongyang KCNA in English 0427 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—A social science seminar took place here on May 31 to mark the 55th anniversary of the great leader President Kim Il-song's historical advance into the Musan area.

President Kim Il-song dealt a heavy military and political blow to the Japanese imperialist aggressors in the operation of advance into Musan area in May 1939 and advanced into the area again in June of that year, personally leading members of the main unit of the Korean People's Revolutionary Army. That was great events which occasioned an epoch-making turn in bringing about an uninterrupted upsurge in the Korean revolution as a whole centering around the anti-Japanese armed struggle and accelerating the cause of national liberation in reliance upon the strength of the Korean people.

The speakers said the historic advance of the great leader was an important occasion in building the area northeast of Mt. Paektu and the northern frontier of Korea along the Tumen River into a strategic base for a constant upsurge in the Korean revolution as a whole and rousing broad segments of the people in the preparations for an all-people resistance.

The historic advance opened up a new phase in calling the whole nation to the anti-Japanese national struggle, they noted, adding that the advance encouraged all the Korean people to turn out in the great anti-Japanese war, so that the fierce flames of the anti-Japanese armed struggle might sweep the whole country.

Kim Chong-il Thanks Units for Assisting Army

SK3105043394 Pyongyang KCNA in English 0417 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, sent thanks to the State External Economic Affairs Commission, the Radio and TV Broadcasting Committee of the DPRK, the Haeju city committee of the Workers' Party of Korea in South Hwanghae Province, the Chokdong senior middle school in Pyonggang County, Kangwon Province and many other units, officials, workers and students who had set examples in assisting the People's Army.

The people demonstrate the might of singlehearted unity of the Army and the people around the party and the leader by assisting the People's Army well in the DPRK where the traditional trait of unity between the Army and the people is in full bloom.

Kim Chong-il Sends Thanks To Garment Workers

SK2805113794 Pyongyang KCNA in English 1008 GMT 28 May 94

[Text] Pyongyang, May 28 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the Changgwang Export Garment Factory and the Okryu and Munsu Garment Companies.

The officials and employees of these units increased the output of export goods by keeping a high and steady rate of production in response to the party's revolutionary economic strategy and sincerely manufactured various goods for the Pyongyang maternity hospital.

Comrade Kim Chong-il, supreme commander of the Korean People's Army, also sent thanks to Yi Ki-pom and Hwang Tong-kyu, political workers of the Kim Tae-song unit of the Korean People's Security Forces, and four demobilised soldiers for giving full play to communist virtues.

Kim Chong-il Sends Birthday Table to Japanese Woman

SK3005050894 Pyongyang KCNA in English 0457 GMT 30 May 94

[Text] Pyongyang, May 30 (KCNA)—The dear leader Comrade Kim Chong-il sent a birthday table to a Japanese woman Choe Sun residing in the central district, Pyongyang Municipality, on her 70th birthday.

Choe Sun (Japanese name: Toshiko Motohasi) was born in May 1924 in Suminami Ward, Tokyo metropolis, as the eldest daughter of a railway worker Eisuke Motohasi, her father, and Haru Motohasi, her mother.

After graduating from a girls high school, she worked at a farm machinery factory before she came to the Democratic People's Republic of Korea in January 1960 with her Korean husband, Choe Sang-chol, who was chairman of the Suminami branch of the General Association of Korean Residents in Japan (Chongnyon).

After finishing the course of a university, she has taught at the Pyongyang University of foreign languages, writing many books for teaching and training hundreds of foreign language experts.

Comrade Kim Chong-il made her an assistant professor and gave her the noble political integrity as a member of the Workers' Party of Korea, highly appreciating her services.

Receiving the birthday table imbued with loving care amid the blessings of all peoples on May 27, she said she owed it entirely to the politics of grace and the politics of love and trust in this land that she is enjoying such worth and happiness of life today, she who once lived in a capitalist society where the jungle law prevails.

Kim Chong-il Sends Birthday Tables to Centenarians

SK3105103194 Pyongyang KCNA in English 1013 GMT 31 May 94

[Text] Pyongyang, May 31 (KCNA)—The dear leader Comrade Kim Chong-il sent the 103rd birthday table to Mrs. Om in Kim Chaek city, North Hamgyong Province, the 101st birthday table to Kim San-ok in Wonsan City, Kangwon Province, and the centenary birthday table to Choe Kyong-ok in Pyongwon County, South Pyongan Province.

The number of the macrobian persons is growing under the popular health care policy of the state in the DPRK where the people have no worry about food, clothing and housing. The average life expectancy at birth is 74.5 years.

The afore-said old women who received benevolent birthday tables said that they were blessed with the sagacious leader and they could not find proper words to express thanks to the great benefit bestowed upon them by the dear leader.

'Red Neckerchiefs' Relay to Kim Il-song Begins

SK0106052194 Pyongyang KCNA in English 0422 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—Relays of members of the Korean Children's Union (KCU) carrying red neckerchiefs to the great leader Generalissimo Kim Il-song started in cities and counties throughout the country on the threshold of the 5th KCU Congress slated for early June here.

Starting ceremonies took place there.

The relay groups were entrusted with red neckerchiefs carrying the firm resolve of the KCU members to continue forever on the road of the march starting from Mt. Paektu following the dear leader Mr. Kim Chong-il like revolutionary forerunners who had fought bloody battles for long years for the liberation of the country and for the freedom and emancipation of the people, flying high the red flag of revolution with President Kim Il-song in the van of their ranks.

KCU members and people of broad strata warmly sent off the relay groups on streets and villages, playing wind instruments, waving bunches of flowers and scattering confetti.

Daily on WPK Policy on Strengthening Education

SK0206111394 Pyongyang KCNA in English 1018 GMT 2 Jun 94

[Text] Pyongyang, June 2 (KCNA)—NODONG SINMUN today carries an article by Yi Yong-tok, vice-chairman of the Central Committee of the League of Socialist Working Youth of Korea [LSWYK], under the headline "Strengthening Education of Youth and Children is Consistent Policy of Our Party."

The article says:

The lifeline of the revolution is maintained by the new generation and the destiny of the country is decided by it. The destiny of the party and the revolution largely depends on the education of the youth and children, the new generation.

From early days the Workers' Party of Korea [WPK] has paid deep attention to firmly training the new generation, attaching importance to the education of the youth and children.

The dear leader Comrade Kim Chong-il indicated the road of the movement of the Korean youth and children conforming to the development of the revolution at the stage where the cause of modeling the whole society on the chuche idea is being realized and powerfully organizations of the WPK, the LSWYK and the childrens' union to follow this road.

The question of the education of the youth and children has been successfully solved in Korea under the wise guidance of the party.

The 8 million youths and children are demonstrating their stout spirits and noble traits as the dependable successors to the revolution and living and striving with the resolution to lay down their lives as rifles and bombs in case of emergency. This clearly proves the vitality of our party's policy of education of the youth and children.

To strengthen ideological education among the youth and children is an urgent demand of our developing revolution and the obtaining [word as received] situation.

The imperialists and reactionaries of the world are getting more desperate in their maneuvers to isolate and stifle the DPRK, the socialist fortress. They are trying to disarm the youth and children ideologically in executing their anti-socialist strategy.

The historical experiences and lessons of the socialist movement teach us that the destiny of the socialist cause largely depends on the ideological education of the new generation.

Only when we better educate the young men and women, the most active and influential unit of the society, and the school children, the future of the motherland, can we firmly defend Korean-style socialism and successfully carry forward the revolutionary cause of chuche to accomplishment.

The vice-chairman elaborates on important questions arising in the education of the youth and children in the present times such as education in revolutionary tradition, class education and socialist patriotic education.

KCNA Reports Iron, Steel Production Increases

SK3005111594 Pyongyang KCNA in English 1021 GMT 30 May 94

[Text] Pyongyang, May 30 (KCNA)—Iron and steel production is increasing in the Democratic People's Republic of Korea.

According to data available at the Ministry of Metal Industry, the production of pig iron increased 1.8 times, and that of steel and rolled steel respectively 1.5 times this month till the 25th compared with the same period of last month.

In the same period, the Kim Chaek iron and steel complex produced over 53,000 more tons of pig iron, 30,000 more tons of steel and 23,000 more tons of rolled steel.

The production of pig iron has increased by 7 percent, and steel by 10 percent at the Hwanghae iron and steel complex.

The Chollima steel complex and other steel works also have topped their daily production of rolled steel 20 percent as against last month.

'Steady Upsurge' in Light-Industry Production

SK0106101994 Pyongyang KCNA in English 1000 GMT 1 Jun 94

[Text] Pyongyang, June 1 (KCNA)—Officials and workers of factories under the State Light Industry Commission of Korea have turned out as one in implementing the light industry-first policy of the Workers' Party of Korea, effecting a steady upsurge in production.

More than 30 factories including the Pyongyang Textile Combine, the Sinuiju Export Garment Factory, the Hyesan Shoe-Making Factory and the Pyongyang Textile Machine Factory fulfilled their may plan ahead of schedule.

The Anju and Palwon Silk Mills had topped their monthly quotas 70 percent in industrial output value and 10 percent in production indices by May 27 by introducing valuable technical innovation proposals in production.

The Tongdaewon Garment Factory, the Kyongamsan Export Garment Factory and other factories and enterprises under the Unha Associated Trading Bureau hit their monthly exports production targets more than five days ahead of schedule.

Shoe-making factories in Sariwon, Hyesan, Pyongyang and other areas produced more shoes in May than the previous month.

South Korea

IAEA Official: DPRK Changed Over 60% of Rods

SK0206000594 Seoul KBS-1 Radio Network in Korean 2205 GMT 1 Jun 94

[By Cha Man-sun from Vienna]

[Text] An official of the International Atomic Energy Agency [IAEA] said that approximately 5,000 of the 8,000 nuclear fuel rods at a five-megawatt nuclear reactor in Yongbyon have already been replaced.

The official said: In the past 25 days, North Korea has already changed approximately 5,000—over 60 percent—of the 8,000 nuclear feul rods at the nuclear reactor. It continued changing the feul rods even yesterday, when the IAEA called upon North Korea not to do so.

He added: In the initial stages of replacing the fuel rods, at least 300 fuel rods must be analyzed to verify the amount of nuclear materials that may have been transformed. However, with less than 3,000 nuclear fuel rods remaining, the results are unreliable.

Also, IAEA Spokesman Hans Meyer said that because IAEA inspectors could not confirm the location of approximately 40 fuel rods—which North Korea says it has separately preserved—and because the location of the removed fuel rods has not been disclosed, taking samples from them would not be worthwhile.

PRC's UN Envoy Reportedly Sends 'Strong Warning'

SK0206013494 Seoul SEOUL SINMUN in Korean 2 Jun 94 p 1

[By Choe Tu-sam from Beijing]

[Text] China's XINHUA reported on 1 June that regarding North Korea's replacing fuel rods at its nuclear reactor, China had expressed its official position that the further measurement of the removed fuel rods must be carried out as soon as possible.

XINHUA, in a dispatch from New York, reported that the UN Security Council had adopted its presidential statement toward North Korea, and that Li Zhaoxing, PRC Ambassador to the United Nations, stressed that "China would oppose any action that will aggravate the situation, and create tension on the Korean peninsula," thus urging both North Korea and the International Atomic Energy Agency to resume negotiations at the earliest date. It also reported that he had openly delivered a message of strong warning to the North Korean side.

DPRK Envoy Reportedly Hints at NPT Withdrawal

SK0206020294 Seoul KBS-1 Radio Network in Korean 0105 GMT 2 Jun 94

[By Mun Chae-chol from Washington]

[Text] North Korea hinted that it would withdraw from the Nuclear Nonproliferation Treaty if the International Atomic Energy Agency [IAEA] officially declares that the possibility of the further measurement of fuel rods is dissipated, or the UN Security Council takes steps to impose sanctions on North Korea.

A high-level official of the North Korean Mission to the United Nations, in quoting the statement by the North Korean Foreign Ministry, said that if some circles of the IAEA declare that the possibility for the further measurement of the nuclear fuel rods has dissipated technically, or the UN Security Council pressures North Korea by imposing sanctions, North Korea will take a decisive step to deal with them, rather than suffer from their unreasonable steps. Therefore, he hinted at the possibility that North Korea would withdraw from the Nuclear Nonproliferation Treaty.

Also, he admitted that North Korea accelerated the speed of the work to replace the nuclear fuel rods some time ago in order to test the maximum efficiency of the machine that carries out the work.

DPRK Said 'Compelled To Withdraw' From NPT

SK0206110294 Seoul KBS-1 Radio Network in Korean 1025 GMT 2 Jun 94

[Text] Yun Ho-chin, counselor of the North Korean embassy in Vienna and chief delegate to the International Atomic Energy Agency [IAEA], said in an interview with REUTER on 2 June that the IAEA is making an unreasonable demand for inspections and, as a result, North Korea will definitely be compelled to withdraw [taltoerul kangyobatchi annulsu opta] from the Nuclear Nonproliferation Treaty [NPT]. Stressing that North Korea's intent is revealing its nuclear transparency, Counselor Yun said that he is scheduled to have a discussion with IAEA officials this afternoon to defuse the nuclear crisis.

Nuclear Ambassador: Sanctions 'Inevitable'

SK0206045094 Seoul KBS-1 Radio Network in Korean 0300 GMT 2 Jun 94

[Text] The government is reportedly pushing for a United Nations resolution to impose sanctions on North Korea right after holding consultations with the United States and others in case North Korea has removed the possibility for future measurements by continuing to replace fuel rods.

Kim Sam-hun, nuclear ambassador, who left the country on 2 June to have a three-day policy consultations between the ROK, the United States, and Japan in Washington, pointed out that warning measures have sufficiently been taken up until now. He added that the government's position is that it is now inevitable to take measures related to the imposition of sanctions against the North.

Since our government, the United States, and the International Atomic Energy Agency have so far made many efforts for dialogue, Ambassador Kim Sam-hun said, it will also be difficult for China to offer opposition if a resolution for sanctions is discussed at the United Nations.

Article Contends North 'Wary' of Sanctions

SK3105010494 Seoul THE KOREA TIMES in English 31 May 94 p 2

[From the "Press Pocket" column: "Veiled Toughness"]

[Text] After rejecting IAEA's [International Atomic Energy Agency] attempt to monitor the removal of spent fuel from the 5-megawatt reactor, North Korea appears to be wary of possible international sanctions.

According to Naewoe Press, South's official North Korean watcher, said North Korea abruptly increased radio broadcasts and newspaper articles arguing that sanctions will not work, claiming that they will not serve the interests of the United States either.

Meanwhile, North Korea stresses the importance of dialogue with the United States for peaceful solution to the nuclear issue.

All of these are seen to be a revelation of how seriously North Korea is holding on to the coattail of the United States to avoid possible sanctions which it really fears, North Korean observers said.

The radio said North Korea is prepared for either war or dialogue.

North Korea also took issue with the remarks of Russian Ambassador to Seoul Georgiy Kunadze. He said North Korea should live up to all international nuclear obligations as an NPT [Nuclear Non-Proliferation Treaty] member.

An article in the NODONG SINMUN, organ of the North Korean Workers' Party, said North Korea has no obligations citing the special position of suspending its move to withdraw from the NPT. Because of this, North Korea is not in the NPT nor out of it either.

Government Position on DPRK-U.S. Talks Viewed

SK2805083094 Seoul TONG-A ILBO in Korean 28 May 94 p 5

[Article by Kim Cha-su]

[Text] On 27 May, North Korea and the United States held working-level contacts on two occasions and discussed the schedule and agenda for the third round of DPRK-U.S. talks, but no final agreement was reached. However, since North Korea and the United States both feel that it is necessary to hold the third round of DPRK-U.S. talks at an early date, government authorities view that the DPRK-U.S. talks can be held before 10 June at the latest.

Even though the third round of DPRK-U.S. talks is being delayed somewhat more than expected, the government has already reached an agreement with the United States on the strategy that it will take regarding the third round of talks. Kim Sam-hun, ambassador in charge of nuclear issues, who returned on 26 May after visiting the United States to deal with this matter said: "The basic position of the ROK and the United States is that both countries will make an attempt to completely resolve the North Korean nuclear issue at the third round of DPRK-U.S. talks." In connection with the North Korean nuclear issue, the two countries are of the position that the issues of completely returning to the Nuclear Nonproliferation Treaty [NPT]; receiving special inspection [tukpyol sachal] of unnotified facilities; and accepting the International Atomic Energy Agency's [IAEA] demand for inspection on the replacement of the fuel rods in the five-megawatt atomic reactor, must be demanded to North Korea and implemented. On the other hand, if these are implemented, the ROK and the United States agree that the issue of improving DPRK-U.S. relations and economic assistance, which North Korea is demanding, can be discussed on a comprehensive level. However, the ROK and the United States are of the position that they will not settle for a package deal which is to simultaneously exchange each other's demands, which is being demanded by North Korea.

If the third round of DPRK-U.S. talks is held, the government decided that it will demand that North Korea completely return to the NPT and meet the conditions of the IAEA's demands on the replacement of the fuel rods first. This is due to the judgment that since North Korea is continuing to refuse ordinary inspection [tongsang sachal] by putting forth its special status in that its withdrawal from the NPT is still being withheld, it is urgent to return North Korea to the NPT and normalize ordinary inspection. Also, using its special status, North Korea is refusing the IAEA's condition in storing the fuel rods which were selected voluntarily. Therefore, if North Korea promises to completely return to the NPT, the tug-of-war regarding the replacement of the fuel rods will be able to come to an end.

The ROK and the United States decided that even during the third round of DPRK-U.S. talks, if measures for nuclear safety is broken because North Korea decides to unilaterally replace the fuel rods, they will suspend the talks.

However, the ROK and the United States already agreed that if North Korea completely returns to the NPT and responds to holding discussions on the issue of special inspection, they will hold a wide range of discussions on the demands made by North Korea including the issue of improving DPRK-U.S. relations. It also seems that practical discussions on methods for resuming South-North dialogue to discuss the issue of implementing the South-North declaration on denuclearization will be held at the third round of DPRK-U.S. talks. Even though the government withdrew the exchange of special envoys as a precondition for the third round of DPRK-U.S. talks, the ROK and the United States decided that they will carry out the South-North dialogue in a mutual and supplementary way to discuss the DPRK-U.S. talks and the issue of South-North mutual inspection.

In the issue of improving DPRK-U.S. relations, issues other than the nuclear issue are linked such as North Korea's missiles, human rights, and terrorism issues. Therefore, government authorities view that there is high possibility that discussions for a full-scale improvement in relations will be held at a separate political consultation which will be held after the third round of DPRK-U.S. talks.

Regardless of this kind of strategy by the ROK and the United States, how the third round of DPRK-U.S. talks will proceed will be determined in connection with how North Korea deals with this matter. Therefore, the government authorities still worry about this matter.

Kim Yong-sam Denounces Reunification Via Confederation

SK2905023394 Seoul THE KOREA TIMES in English 29 May 94 p 2

[From the "Press Pocket" column: "No Confederation"]

[Text] President Kim Yong-sam has said that national reunification should not be realized under a confederalized system. He said it was a grave fallacy to think of confederation as the formula for national reunification. He made the remarks after receiving a briefing on the operation of a fighter wing on Friday as if to clamp down on the emerging argument in favor of a confederational system as a form of national reunification. He said he cannot consent to the people thinking of a confederation system out of an emotional yearning for national reunification. "We should seek a viable and sustainable formula for national reunification, he said.

Kim's remarks appear to be aimed at Kim Tae-chung, who said upon arrival here from his tour of the United States the previous day that people should be given the right to freely debate the national reunification issue, proposing a referendum on desirable unification formula. Kim Tae-chung has opted for a confederation system as a means of eventual national reunification. Meanwhile, North Korea has persistently held on to the confederation system for unification.

Government To Reexamine Policy on DPRK

SK2705011094 Seoul HANGUK ILBO in Korean 26 May 94 p 1

[By Reporter Choe Kyu-sik]

[Text] It was learned on 25 May, that our government will conduct an overall reexamination of its policy toward the North in connection with North Korea's nuclear development, thereby readjusting our position toward "the declaration on the denuclearization of the Korean Peninsula."

The government has worked out such a policy under circumstances in which the prevailing opinion is that "the declaration on the denuclearization of the Korean peninsula" has virtually become scrap paper because North Korea possesses a nuclear reprocessing facility referred to as a radiochemical laboratory, in Yongbyon, and in preparation against the eventuality that might be created if North Korea is revealed to have already developed two or three nuclear bombs following the measurement of fuel rods at the 5-megawatt atomic reactor.

In this connection, at the Foreign Affairs-National Unification Committee of the National Assembly on 23 May, Yi Hong-ku, deputy prime minister for national unification, said: "If North Korea should continue to maintain the radiochemical laboratory, which is known to be a nuclear reprocessing facility, we cannot but reevaluate the declaration of the denuclearization of the Korean Peninsula from a new angle."

The government is going to focus on the question raised by Deputy Prime Minister Yi at the Unification-National Security Policy Coordination meeting to be held on 27 May before making public a new government position.

Prior to this meeting, the government is said to also be undertaking a working-level policy finetuning procedure by convening a strategic planning team meeting for unification and national security composed of chiefs of relevant agencies' offices and bureaus on 26 May.

One high-ranking government official said: "Deputy Prime Minister Yi's remarks are based on a basic principle, but his remarks are loaded with meaning. The government is of the opinion that it should lay a clearer and more detailed policy before the public this time. Now is not, however, the time to declare the nullification of the declaration on the denuclearization of the Korean peninsula. His remarks emphasize ensuring the nuclear transparency of North Korea. The government also needs to send out a strong warning message to North Korea for its on-going nuclear development. The United States has the position that the special inspections of North Korea's nuclear development should be settled at the third round of North-U.S. high-level talks. We cannot rule out the possibility that even if North Korea is revealed to already possess two or three nuclear bombs, the United States will not be able to do anything because of its adherence to the Nuclear Nonproliferation Treaty system. We need to readjust our position in preparation against this situation."

Prudence in North-South Economics Urged

SK3105054394 Seoul CHOSON ILBO in Korean 30 May 94 p 3

[Editorial: "Though North Korea Has Said It Would Open the 'Najin-Sonbong Region'...."]

[Text] North Korea has announced a plan to liberalize investments and to use port facilities in the Najin-Sonbong region as part of an economic open-door policy to break through its economic difficulties.

The North Korean economy has faced serious difficulties because its economic ties with Russia have drastically weakened since the end of the cold war, because its relations with China have not been smooth, and because its "chuche-oriented economy" has become more inefficient.

North Korea has reached the moment when it has to, unavoidably, open itself up to the capitalist global economy to overcome its economic difficulties. North Korea's agony is that its domestic system is not flexible enough to absorb fully a possible shock from a Chinese-style open-door policy.

Therefore, a difficulty facing North Korea is that it is trying to carry out a "policy for opening its economy on a limited scale" without making domestic reforms, rather than pursuing a policy for boldly opening its economy while making domestic reforms. China has successfully carried out a bold open-door policy despite significant adverse effects; while North Korea is experimenting with a limited open-door policy in the Najin-Sonbong region, the northernmost border area, to prevent a shock from the open-door policy.

North Korea is now facing two difficulties. North Korea must resolve its economic difficulties to maintain its system—then, North Korea's opening up will be inevitable. If North Korea opens up economically, however, it would exert an unpredictable influence on its hardened system.

North Korea will not be able to bring about successes in opening up if it does not make reforms. If North Korea is to bring about successes in opening up, which is necessary for maintaining its system, it must go beyond its efforts in the Najin-Sonbong region and carry out an open-door policy while making domestic reforms. It must quickly replace its political, economic, social, and cultural systems, which have so far helped maintain its secretive regime, with new ones that can accommodate a new open-door policy.

Unless North Korea makes these efforts, it will not be able to expect the same successes, which China has brought about by opening up, from its introduction of capital and technology from advanced capitalist countries that may be possible when the North Korean nuclear issue is resolved. There will be many trials and errors in North-South economic exchange and cooperation and no great successes will be brought about before North Korea opens up while "making reforms."

North-South economic cooperation will bring about substantial successes only when North Korea provides itself with systematic mechanisms that help bring about successes in opening up. Therefore, North-South economic cooperation must be prudently carried out in step with the speed of North Korea's opening up.

DPRK Unable To Withdraw $3.3 Million From BCCI

SK2805052894 Seoul CHOSON ILBO in Korean 28 May 94 p 2

[By Kim Song-yong from Hong Kong]

[Text] It was confirmed on 27 May that North Korea has yet to withdraw U.S. $3.3 million of the $10 million it deposited in the Hong Kong branch of the Arab bank BCCI [Bank of Credit and Commerce International] that went bankrupt in 1991. North Korea deposited $10 million in the BCCI's Hong Kong branch in the name of the Korea Light Industry Commission in 1990. However, it has only withdrawn $6.7 million from the bank since the BCCI headquarters went bankrupt in July 1991, and is now waiting for the bank's settlement to pay $3.3 million, the remainder of its deposit.

President Kim Sends Message to U.S. Forces

SK2905023594 Seoul THE KOREA TIMES in English 29 May 94 p 3

[Text] President Kim Yong-sam said yesterday that South Korea and the United States are determined to resolutely deal together with any threat to freedom and peace on the Korean peninsula in particular and in Northeast Asia in general, including the North Korean nuclear issue.

Doing so is the "best way to make the sacrifices of U.S. military personnel in the cause of freedom and democracy even more invaluable," Kim said in a message he sent to officers and men and women of the U.S. Forces Korea on the occasion of the U.S. Memorial Day yesterday.

He said that the Korean people will never forget the fact that so many brave American service members sacrificed themselves to help defend freedom in Korea against the Communist aggressors.

"Today, democracy, freedom and a free-market economy are all flourishing in the Republic of Korea, and this fact is widely regarded as representing the most illustrious success story of American idealism abroad," he said.

"Its abundant fruit is being shared not only by our two countries but also by the world at large," the President stressed.

He went on, "The bonds of alliance between the Republic of Korea and the United States have been cemented with blood and tears. This means that we are, and will long remain, close and trusted friends."

Praying for the souls of the numerous American service members, the President said, "On behalf of our people, I extend wholehearted encouragement and boundless trust to all members of the U.S. Forces Korea and wish all of you good health and well-being."

Two Destroyers Leave for Rimpac 94 Participation

SK2805015794 Seoul YONHAP in English 0140 GMT 28 May 94

[Text] Chinhae, South Korea, May 28 (YONHAP)—South Korea's two escort destroyers left Chinhae Port Saturday morning to participate in multinational maritime maneuvers held in the mid-western Pacific Ocean.

The "Chongju-ham" and "Pusan-ham" are scheduled to hold anti-submarine and logistics exercises jointly with U.S. Naval elements in the East Sea until May 30, then head for the sea near Hawaii to conduct various maneuvers with units from other Pacific Rim countries until July 16.

"Rimpac 94" (Rim Pacific Exercise), drawing the participation of South Korea, the United States, Australia, Canada and Japan, is designed to secure major maritime transportation routes in the Pacific Ocean and promote the combined operational capabilities and cooperation of Pacific rim countries.

The exercises will cover mobile offensive-defensive battle, command-control-communication, and anti-aircraft, anti-submarine and electronic warfares, and ship-to-ship and ship-to-air firing, and torpedo and missile firing.

About 60 military vessels including two aircraft carriers, over 200 aircraft and a 25,000-strong naval force are expected to participate in the biennial exercise, which was inaugurated in 1971. It is the third time for South Korea to participate in the maneuvers since 1990, when it first took part.

By joining in the exercise, the South Korean Navy is expected to promote military exchanges with the navies of Pacific rim countries as well as learn advanced naval strategy and tactics.

Reportage, Commentary on President's Russia Visit

Businessmen To Join President

SK3005022694 Seoul YONHAP in English 0154 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—President Kim Yong-sam, during his tour of Russia and Uzbekistan that starts June 1, will be accompanied by six businessmen as guests at economy-related events.

Chairmen Kim U-chung of the Daewoo Business Group, Cho Sok-nae of Hyosung Group, Ku Pyong-hoe of Lucky-Goldstar Group and concurrently head of the Korea Foreign Trade Association (KFTA), and Chang Chi-hyok of Kohap Group, as well as presidents of smaller businesses—Wang Ho-sang of Dongho International and Kim Yun-sik of Shindong Enercom Inc.—will arrive separately in Moscow but travel aboard the president's plane to Uzbekistan due to poor air transportation there.

It is the first time for businessmen to travel with Kim on his chartered plane.

"We weren't planning to invite businessmen on this tour, but we finally decided to include six businessmen whose companies have made inroads in Russia and Uzbekistan to attend only economy-related events there at the request of the two countries," a Chongwadae (presidential office) official said.

Just as some businessmen arrived separately to attend economy-related functions during Kim's visits to Japan and China, the business representatives will only take part in these events, he said.

Editorial Previews President's Visit

SK3105095694 Seoul CHOSON ILBO in Korean 31 May 94 p 3

[Editorial: "The Reason for the President's Visit to Russia"]

[Text] President Kim Yong-sam's visit to Russia to begin on 1 June is significant in that it will complete the basic frame of the ROK's tetragonal diplomacy. With President Kim's forthcoming Russia visit, which will follow his visit to the United States in November 1993 and to Japan and China in March 1994, it appears to us that he gives priority in dealing with countries that are most important to us.

We hope that President Kim's tetragonal diplomacy will provide an important momentum for peace and reunification of the Korean peninsula and for durable peace in Northeast Asia. Since we cannot help but be concerned about the North Korean nuclear issue, we have great expectations of cooperation from strong neighboring countries that can exert considerable influence upon North Korea.

In particular, we have many difficulties in building new relations with Russia because it still maintains political, diplomatic, economic, and military relations with North Korea that were established in the age of the former Soviet Union empire. Rapid improvement out of need and sudden cooling down have alternated in ROK-Russian relations mainly because Russia's policy on the Korean peninsula has been in a transition period.

Accordingly, the most important task of President Kim's upcoming visit to Russia is to show Russia a new direction to completely free itself from the former Soviet Union's policy on the Korean peninsula. The ROK should become a country with which is worth trying to expand relations.

To achieve this goal, we have to seriously reflect on the trials and errors in our relations with Russia, and humbly reassess Russia's potential. Although our expectations, amplified in those early days of improved relations between the two countries, have turned into dissatisfaction, we should not maintain our present view of Russia. We should know the fact that our efforts can give more room for interests that can be obtained in mutual cooperation with Russia.

It is true that there are many delicate pending issues between the ROK and Russia. However, they might be minor problems to be solved through a long-term basis approach of relations between the two countries.

Russia should also assume a fresh diplomatic attitude to achieve the goal it had when improving its relations with us while treating North Korea inhospitably. It is important for Russia to abandon the policy of putting South and North Korea on the scales and to pursue the true worth. We can also be very helpful to Russia. We should be mindful so as to prevent impolite happenings from hurting our self-esteem as it repeatedly has happened every time there is a summit.

We have special interest in multifold diplomacy that President Kim Yong-sam will pursue after he visits all the four strong neighboring countries. We have been unilaterally influenced by neighboring countries throughout a long history. Now we have to grow up enough to influence our neighboring countries. This is not a mere illusion as long as diplomatic power is not in proportion to the size of the territory and population of a country.

Summit Affirms Stance on DPRK

SK0206082394 Seoul YONHAP in English 0800 GMT 2 Jun 94

[Article by Kim Song-su and Song Hyon-sung]

[Text] Moscow, June 2 (YONHAP)—The most welcome result of the two-day South Korea-Russia summit was their establishment of close cooperation in handling the North Korean nuclear problem that is fast approaching a crisis level. Presidents Kim and Yeltsin reaffirmed that North Korea must abide by the inter-Korean agreement on denuclearization and that its nuclear program must be deterred.

During the first summit session Wednesday evening, Kim received a Russian promise of participation if the U.N. Security Council decided to impose sanctions on North Korea as a last recourse. Such pledges are reassuring, especially because Russia is one of the five permanent members of the Security Council and can still exert influence on North Korea.

The degree of sanctions Russia would support remained unclear, but Moscow's stance will certainly pressure China, which is the last remaining uncertain variable.

In a show of growing partnership, Kim and Yeltsin agreed to open a hot line between their offices for around-the-clock consultations on urgent situations including the North Korean nuclear matter.

The hot line, reserved previously for close security allies such as Japan and the United States, is symbolic of the transformation in bilateral relations that were once confrontational during the cold war days but are now based on mutual cooperation.

President Kim raised the issue of the North Korea-Russia Treaty on Friendship, Cooperation and Mutual Assistance, especially the clause in which Russia is obligated to automatically intervene on North Korea's side in case of war. He made clear that any supply of military equipment and technology to North Korea, which has not yet given up hope of national unification by force, is inappropriate.

Yeltsin suggested that a line has been drawn in Pyongyang-Moscow relations, explaining diplomatically that the treaty with North Korea is virtually dead in practice.

The summit cast light on future bilateral relations, the spirit of which was embodied in the 13-clause joint declaration released after Thursday's summit. The two presidents championed democracy and a market economy as shared values and vowed to build a relationship on these principles.

They accented cooperation in trade, science and technology, hoping to wed South Korea's industrial technology and experience in free competition with Russia's advanced science and natural resources.

Seoul-Moscow economic relations remain marred by the unrepaid South Korean loan to Russia. But Seoul officials decided to separate this issue from other economic projects and expect it will not get in the way of bilateral trade promotion. Further helping to thrust forward Seoul-Moscow ties, Yeltsin handed over, as promised, Russian documents on the 1950-53 Korean war in a gesture aimed at sweeping away the cold war past when Moscow had aided Pyongyang during the fratricidal clash.

Kim has now wound up his summit diplomacy with all four surrounding powers, with each providing confirmation of strong bilateral ties.

The summit with Yeltsin was no exception.

Government Plans To Apply for OECD Membership

SK3105053994 Seoul YONHAP in English 0459 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—South Korea has decided to apply to join the Organization for Economic Cooperation and Development (OECD) this year.

The Finance Ministry held the first meeting of a working-level committee tasked with preparing for OECD membership, headed by Second Assistant Minister Sin Myong-ho, on Tuesday morning and decided that the Ministry will study OECD regulations in the third quarter and apply to join in December.

The 40-member committee will discuss Korea's bid to enter the OECD with related ministries, analyze its liberalization regulations and study the systems of present OECD member countries.

Earlier, Finance Minister Hong Chae-hyong appointed four lawyers as consultants to do research and offer advice on legal aspects of the matter.

U.S. Intentions in OECD Membership Bid Examined

SK0106040894 Seoul THE KOREA TIMES in English 1 Jun 94 p 9

[By staff reporter Yi Chang-sop]

[Text] Government officials and analysts are casting a suspicious eye at the role of the United States in Korea's run-up to entry to the Western well-to-do countries club of the Organization for Economic Cooperation and Development (OECD). They suspect that Washington might seek to remote-control Korea's opening its markets and industries wider by taking advantage of Seoul's planned move to become an OECD member in 1996.

Some government officials said that the United States might have two game plans in connection with Korea's OECD membership. One strategy would be to suspend the current bilateral trade talks and encourage Korea to join the OECD. Once Korea joins the OECD, the United States will pressure the OECD members to have Korea further open its markets, they said.

The other plan of the United States might be to intensify its pressure on Korea before its entry so that Seoul is forced to open its markets wider and wider.

A government official who wished to remain anonymous, said, "Washington has already read the Kim Yong-sam administration's political will to join the OECD during Kim's tenure." It will intensify pressure on Seoul to meet the guidelines, practices and rules that OECD countries maintain, he speculated. But he said that public sentiment will be in disfavor of Seoul's OECD membership if the United States is portrayed as playing a "behind-the-scene role" in opening the Korean market. The National Assembly will become vocal if lawmakers are persuaded that Washington is seeking to take advantage of the nation's OECD membership as an excuse to open Seoul's markets wider, he said.

The U.S. role will have a critical impact on the nation's view of the merits and demerits of joining the OECD, he said, adding that the best strategy for the United States would be "to take a wait and see attitude to Korea's membership negotiation with the Paris-based organization." It may be quite dangerous if the Korean people see the OECD membership as another Uruguay Round, he added.

Many working-level officials are still having second thoughts about whether the nation should be in such a hurry to join the OECD but in public, they say, "Korea must join the OECD. It is the commitment of President Kim Yong-sam."

The Ministry of Finance yesterday commissioned lawyers and economists to act as advisors on issues related to the nation's preparation to join. The MOF said Korea will initiate negotiations with the OECD in the latter half of next year for the nation's application for membership.

Seoul hopes that Korea will be given a full grace period to meet OECD requirements even after becoming a member. But if the OECD, egged on by the United States, is rigid in demanding Korea open its markets wider, there is a risk that Korean may be forced to delay the membership application at the later stage, government officials said.

They said, "It is a privilege for the OECD to have such fast-growing countries as Korea as its members." The OECD countries have lost their economic and political influence due to their slow economic growth, high inflation and uncontrollable trade deficits, they noted.

European Commission Mulls Antidumping Charges

SK2705035494 Seoul YONHAP in English 0038 GMT 27 May 94

[Text] Brussels, May 26 (YONHAP)—The European Union (EU) Commission said Thursday it was considering whether to extend anti-dumping tariffs on video cassettes made in South Korea and Hong Kong that are due to expire in June.

The commission is investigating charges by the European Council of Chemical Manufacturers Federation (CEFIC), which has expressed concern that the two countries may continue to export their products at unfair prices in view of their ample manufacturing potential.

The CEFIC charges that Korean and Hong Kong video cassettes are sold at one-third the price of European products and that their dumping margins were actually greater than the anti-dumping tariff rates imposed. The EU has imposed punitive duties of 1.9 percent on Saehan Media, 3.8 percent on Sunkyong, 2 percent on Kolon and 2.9 percent on Goldstar since June 1989.

Under the sunset provision, tariff imposition automatically terminates after five years unless the industry in the host country calls for an extension.

Complaint Filed on Withdrawal of GSP Treatment

SK0206092394 Seoul YONHAP in English 0709 GMT 2 Jun 94

[Text] Seoul, June 2 (YONHAP)—The Foreign Ministry lodged a complaint Thursday against a European Union (EU) decision to withdraw Generalized System of Preferences (GSP) treatment for South Korean fabric products, calling it unfair abuse of the system.

"The government believes it was unjust for the EU to link the GSP issue with South Korea's introduction of an adjustment tariff and thereby expresses regrets," a Ministry official said in a commentary.

"The government points out again that GSP status, by its very nature, should not be used as a tool of countermeasure and urges the EU to repeal the decision," the official said.

The European Union finalized its decision Tuesday to halt GSP treatment for South Korean fabric goods from July 1 until Seoul withdraws its adjustment tariff on foreign products.

In January this year, Seoul introduced a 19-percent adjustment tariff on fabric imports for 1994 to minimize the impact on local firms caused by an unexpected inflow of foreign products.

South Korea stands to bear an additional 10.2-percent burden in customs tariffs on affected export items as a result of GSP withdrawal, totaling an estimated 5.8 million U.S. dollars.

Industry officials predicted that Korea will lose about 1.4 million dollars in exports to Europe due to the EU measure.

Change in PRC Stance on DPRK Issue Considered

SK0206140594 Seoul CHUNGANG ILBO in Korean 2 Jun 94 p 5

[Article by Beijing-based correspondent Mun Il-hyon: "China Begins To Doubt North Korea—Why is China's Attitude on North Korea Stiffening?"]

[Text] Many recent indications show that China has changed its attitude on the North Korean nuclear problem.

When the UN Security Council adopted a presidential statement on 30 May, China promptly kept step with other Standing Committee member states and openly stated that its position is the same as that of the International Atomic Energy Agency [IAEA]. This has not been observed in the past.

The current Chinese position on the North Korean nuclear problem is to support the denuclearization of the Korean peninsula and to resolve the problem through dialogue between the parties concerned. China has not retreated even a step from these two principles since North Korea declared its withdrawal from the Nuclear Nonproliferation Treaty [NPT].

This being the case, the fact that China agreed, "without any hesitation," with the presidential statement of the Security Council containing a warning message against North Korea clearly shocked North Korea, which claims to be an ally with blood ties.

In a statement by its representative to the United Nations, China called for prompt resumption of negotiations with the IAEA and clearly expressed its official position for the first time that China is opposed to any act counter to the NPT. Thus, this can be interpreted as "direct pressure" on North Korea.

In the wake of the adoption of the presidential statement by the Security Council, China contacted the North Korean side many times and informed it of the view of the Standing Committee member states on the nuclear issue.

In addition, diplomatic sources in Beijing revealed that China urged North Korea to allow future measurement of fuel rods by stressing that sanctions would be inevitable in the event that North Korea does not accept the demand of the Security Council.

Such changes in the Chinese attitude was prompted by the fact that China's basic perception of the North Korean nuclear problem has changed.

When the first presidential statement of the Security Council was adopted on 31 March calling on North Korea to allow IAEA additional inspections, China expressed its firm conviction that North Korea does not possess nuclear weapons.

Because of North Korea's doubtful attitude, including the abrupt independent replacement of fuel rods in the five-megawatt reactor, China began to suspect that North Korea may be attempting to conceal its nuclear weapons development. Nevertheless, it is too early to believe that China will join the UN Security Council when its adopts sanctions against North Korea.

This is because Chinese participation in sanctions against North Korea will not only shake its relations with North Korea by their roots, but will also cause a great change in the balance of power in Northeast Asia.

This being the case, China must consider its relations with Western countries, including the United States, which extended China's most-favored-nation status. In particular, if China, an NPT member state, supports North Korea, which violates the NPT regulations, China will not only be inconsistent, but also will have to suffer serious confrontation with the United States, which is regarded as the "eldest brother" in the NPT system.

DLP Secretary-General Returns From China

SK2905081494 Seoul YONHAP in English 0644 GMT 29 May 94

[Text] Seoul, May 29 (YONHAP)—The secretary-general of the ruling Democratic Liberal Party (DLP) Mun Chong-su returned from six-day tour to China Sunday morning.

Mun, who was invited by the Chinese Communist Party, met with senior leaders in China such as Communist Party Secretariat member Hu Jintao, vice chairman of the Political Consultative Conference Wu Xueqian and Vice Foreign Minister Tang Jiaxuan and discussed North Korea's nuclear problem and ways to expand economic cooperation between Korea and China.

Mun and head of the International Liaison Department of the Chinese Communist Party Li Shuzheng also agreed to exchange senior party officials and to cooperate on training of party officials and holding seminars.

DLP chairman Kim Chong-pil and the Chinese Communist Party Secretariat member Hu are expected to visit the other country respectively this year.

Representative Mun's Visit to China Analyzed

SK2805043094 Seoul YONHAP in English 0408 GMT 28 May 94

[By O Chae-suk]

[Text] Shanghai, May 29 (YONHAP)—The just-ended visit to China by Rep. Mun Chong-su, secretary-general of the ruling Democratic Liberal Party [DLP], was a rare opportunity to enrich Sino-Korean relations that entered a higher realm following President Kim Yong-sam's official trip to Beijing last March.

Mun's six-day tour was scrutinized even more closely because it was the first high-level personnel exchange between the ruling parties of the two countries.

His visit could mean that bilateral relations, which had in the past been limited somewhat to exchanges of government officials and businessmen, have developed to the point of ruling party-level exchanges. Party-to-party exchanges with the Chinese are especially significant because in China the ruling Communist Party stands above the administration in terms of real power.

Naturally, Rep. Mun met key figures from the Chinese Communist Party to swap opinions on matters of mutual concern, such as promotion of bilateral ties and coping with the North Korean nuclear issue. It was through these contacts that the Chinese leadership was found to feel an acute need to resolve the nuclear question and play a positive mediatory role.

"Even for our economic development, for which we exert all available efforts, a stable and peaceful international situation is needed," said Hu Jintao, a member of the powerful Communist Party Secretariat who is regarded as one of China's next-generation leaders. Hu, who in effect oversees party affairs on behalf of President Jiang Zemin, told Mun that China is trying to help settle the nuclear dispute.

Vice Foreign Minister Tang Jiaxuan conferred with Mun in an unscheduled meeting, confiding that his country had been advising Pyongyang to resolve the issue through dialogue and compromise. "We have already informed the United States and South Korea that North Korea, too, is interested in a peaceful resolution," Tang said.

Though no conclusive assurance was obtained, the two parties seem to have reached a tentative agreement on exchanging top party leaders in the foreseeable future.

"Since the two countries' relations are very good, I personally expect one of our senior leaders could visit Seoul before the end of this year," said Li Shuzheng, head of the Chinese Party's International Liaison Department.

Li made the remarks in the presence of Mun while seeing him off for Xian at the Beijing Airport. He is said to have conferred with Kim Il-song during a visit to Pyongyang last February. If a high-ranking leader actually visits Seoul, it could be either President Jiang, Premier Li Peng or a Party Standing Committee member, Li said.

South Korea's DLP originally hoped that a leading Chinese party official would reciprocate Mun's visit, followed by DLP Chairman Kim Chong-pil's trip to Beijing toward the end of the year. But the Chinese party has been circumspect about the matter, apparently in view of its half-century of amicable relations with the Workers' (Communist) Party of North Korea.

Mun's visit also showed that China attaches greater significance than Korea thought to the Seoul-Beijing summit last March. "We could confirm that with the summit as momentum, the Seoul-Beijing distance has narrowed significantly while Pyongyang's weight in Chinese foreign relations has been dwindling," said an official who accompanied Mun to Beijing.

Development Bank Extends Credit to PRC

SK2705115594 Seoul YONHAP in English 1131 GMT 27 May 94

[Text] Seoul, May 27 (YONHAP)—The Korea Development Bank will extend a 9.5-million-dollar credit to China to help finance a thermo-power project in Jiangsu Province, the bank reported Friday. A bank official said the credit will be part of the 470 million dollars which the World Bank, JP Morgan of the United States and two other foreign banks in addition to KDB are providing to China.

"This is the first time a South Korean bank ever furnishes a credit to a project the central Chinese Government is directly undertaking," he said.

The credits, whose repayment is guaranteed by the World Bank, is repayable in 10 years after a grace of five years. The development bank will formally sign a credit agreement with the Chinese Government in Beijing on Sunday, the official added.

Bank of Korea Notes Drop in Exports to China

SK3105014694 Seoul YONHAP in English 0058 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—South Korea's trade prospects have darkened with exports to China dropping last month for the first time since ties were normalized, the Bank of Korea [BOK] said Tuesday.

Exports to China totaled 1.76 billion U.S. dollars in the first four months, up just 11.5 percent from 1.58 billion dollars a year earlier.

The January-April growth is dwarfed by the 175.2-percent surge recorded in the same period last year.

Exports to the vast market grew 28.6 percent in January, 20.5 percent in February and 10.6 percent in March, then slipped 2.3 percent in April.

Exports to China, a major contributor to Korea's trade balance, have slowed despite the continued popularity of most items because of a drop in two mainstays, cars and steel.

In the first four months of last year, 294.8 million dollars worth of cars were sold to China, 227 times more than a year earlier, but the volume plunged 94 percent to 17.8 million dollars worth this year.

With steel exports sinking 27.1 percent to 341.4 million dollars from 468.1 million dollars, the share of the two items in shipments to China fell to 20.4 percent from last year's 48.2 percent.

Beijing's restrictions on imports to promote its own car industry since late last year explain the decrease in auto exports while steel shipments dropped due to a lack of stock for exports because of high demand at home and an easing of the construction boom in China.

Exports to China have surged since relations were normalized in August 1992, to the point of posting 94.1-percent growth last year.

However, Korea can no longer expect such growth due to sluggish exports of automobiles and steel products, BOK officials said.

As exports of other items are still going strong, posting growth of 71.5 percent in this period, shipments to China are expected to account for around 6 percent of total exports, close to last year's 6.3 percent.

Government, Slovenia Sign Cooperation Pact

SK3005034094 Seoul YONHAP in English 0324 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—South Korea and Slovenia signed an agreement Monday on scientific and technological cooperation that will lead to the formation of a joint committee.

Foreign Ministers Han Sung-chu of South Korea and Lojze Peterle of Slovenia signed the agreement calling for exchange programs between government and private research organizations as well as universities.

The two countries set up a joint cooperation committee to pursue and arrange various projects.

Government To Send Medical Unit to West Sahara

SK3005112494 Seoul YONHAP in English 1010 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—The government has decided to send a 50-man medical unit to the West Sahara for about one year as part of the United Nations Peacekeeping Operations (PKO), the Defense Ministry said Monday.

At a cabinet meeting in the afternoon, the government decided to send a 20-strong advance team in early August if things go well after the National Assembly approves the decision. The main body is scheduled to be dispatched in mid-September, according to ministry officials.

The medical unit will replace a Swiss Medical Service Unit that has operated there since September 1992, establishing a central medical office in the Laayoune region where the West Sahara PKO (Minurso) headquarters are located. The ministry was asked by the United Nations to send a medical unit to the West Sahara last February, and it has since carried out a joint on-the-spot survey with the Foreign Ministry to report to related ministries.

The United Nations established the West Sahara PKO headquarters in September 1992. Currently, 490 people from 27 countries are engaged in PKO activities, supervising the truce in the region and preparing a referendum.

The West Sahara was under the rule of the Moroccan royal family until 1884, when Spain colonized the region. As soon as the Spanish withdrew in 1976, the Moroccan Government claimed dominion over the region while the West Sahara Liberation Front sought independence, leading to a dispute.

U.S. Firm Using Unauthorized Telephone Service

SK0206035294 Seoul THE KOREA TIMES in English 2 Jun 94 p 3

[Text] Viatel and USA Link, American international call service retailers, are engaging in unauthorized international phone services in Korea, the Communications Ministry said yesterday.

The ministry found the Viatel's service here was illegal in 1992 when the American firm introduced the service.

The domestic law governing telecommunications service stipulates that the international call services shall be offered only by the public telecommunications service providers such as Korea Telecom and Dacom Corporation.

However, the U.S. firms resorted to clandestine services to bypass the outright violation, employing automatic collect call and call back systems, ministry spokesman Yi Chong-son said.

Such clandestine services are provided by Trans Pacific Service and Link Korea, the local agents of the U.S. companies.

The call retailers have subscribers place a call to the switching system, based in the United States, to get a return call from the destinations in the U.S., using the call back system.

When using the international toll free service method, subscribers dial a secret code and the destination number. They collect the fees by billing them on credit cards.

While taking advantage of U.S. rates which are lower than the domestic charge by 30 to 40 percent, the signals are identified as originating in the U.S., making it impossible to slap a surcharge on the services.

However, the service itself still illegal in that it uses domestic circuits without paying a fee, Yim Song-man, a director of international phone service of Korea Telecom, pointed out.

The connections by call back system even interfere with the ordinary Telecom services by crowding the lines, he claimed.

The subscribers are presumed to be business firms and U.S. servicemen who make frequent international calls, the official said.

"On the other hand, there is no way to dissuade customers from using the services, as the subscribers can not be identified," he said. "Even when they are identified, it is hard to secure evidence of the illegal service."

Though the market share of the firms remains at a meager level for now, they will further expand their service activities if left unchecked, he said.

Meanwhile, Viatel and USA Link reportedly claimed that their business cannot be subject to domestic law, because the switching actually takes place in the United States.

The ministry has delivered its complaints against the "illegal" business, but the response from the U.S. side was the Korea should lift the ban on the international call services by U.S. firms, instead, the ministry spokesman said.

"Because of concerns over possible retaliation by trade sanctions, the ministry could not take any action against their business," he confided.

So the ministry remains helpless in the situation with its hands tied, he added.

Spain and Japan have also undergone problems with such infiltrations by U.S. firms into the phone service market, he said.

To counter the low rates of the U.S. services, the ministry will study, with Korea Telecom and Dacom, lowering the domestic rates, he said.

Commodity Fair Opens in Dalian, PRC 30 May

SK3005120594 Seoul YONHAP in English 1139 GMT 30 May 94

[Text] Beijing, May 30 (YONHAP)—'94 South Korean commodity fair opened at the Dalian International Exhibition Center in Dalian of China's Liaoning Province for a five-day run on Monday.

About 3,000 pieces of commodities are put on display by 32 major and medium South Korean firms in the fair sponsored by the Korea Trade Promotion Corp. (KOTRA). The participating industries include the Daewoo, Sunkyung, Ssangyong and Kolon business groups and the Pohang Iron and Steel Co.

This is the third South Korean commodity fair to take place in Chinese cities. The first Korean fair was held in Beijing in 1992 and the second fair in Shanghai in 1993.

A total of 184 South Korean firms were doing business in Dalian as of the end of last year. Their investments totaled 140 million dollars, about 11 percent of South Korea's total investments in China.

UN Report Shows Progress in Human Development

SK3005014394 Seoul YONHAP in English 0114 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—South Korea ranked third behind Malaysia and Botswana among 114 countries that showed the most progress in human development between 1986 and 1992, according to an annual report by the United Nations Development Program (UNDP) obtained here by YONHAP Monday.

East Asian countries, including Korea, also recorded the fastest economic growth, with the report observing that "this shows that the fast pace of economic growth in East Asia was built on a solid foundation of human development."

The five-year human development report, published and distributed in eight languages throughout the world, aims to advance a new concept of human security and offers several concrete proposals for the world summit for social development in March 1995 in Copenhagen.

Canada ranked first in human development overall, while Barbados was No. 1 among developing countries. South Korea placed 32nd in the overall rankings and North Korea was 101st.

The other nations making up the top 10 in the global human development index [HDI], which ranks 173 countries according to life expectancy, educational attainment and basic purchasing power, are Switzerland, Japan, Sweden, Norway, France, Australia, the United States, the Netherlands, the United Kingdom and Germany, in descending order.

The new index shows that Korea, following Malaysia and Botswana, has made the most progress in human development since 1960.

"They started from very low levels, but managed as a group to increase their HDI values by around 80 percent," says the report.

The other countries among the top 10 performers in human development since 1960 include Tunisia, Thailand, Syria, Turkey, China, Portugal and Iran.

The report notes that foreign aid to developing countries totaled 60 billion U.S. dollars in 1992, while 102 billion dollars in private capital flowed into the "South" that year compared to only 5 billion in 1970.

But nearly three-quarters of the capital went to just 10 countries—China, Mexico, Malaysia, Argentina, Thailand, Indonesia, Brazil, Nigeria, Venezuela and Korea—while just 6 percent went to Sub-Saharan Africa and 2 percent to the least developed nations.

Developing countries paid 160 billion dollars in debt service charges in 1992, more than two and a half times the official aid and 10 billion dollars more than private financial flows.

The report says that debt servicing is hampering developing countries' ability to meet urgent human development needs, and suggests cancelling the debts of the poorest nations in return for a pledge that they earmark those same funds for social development.

The 1994 report points out that widespread human insecurity is a universal problem—the poor nations are more concerned about hunger and disease, while the rich states focus on drugs and crime. Thus the concern for human insecurity is global.

Nevertheless, spending to protect borders outstrips outlays to protect individuals within or across borders, the report notes.

Observing that several poor nations are spending much more on arms than on education and health, it charges that those encouraging the weapons trade in developing countries are responsible for the world's security policy—the five permanent members of the U.N. Security Council.

Saying the acquisition of more arms only aggravates existing human deprivations, the report lists China, India, Korea, Malaysia, Nigeria and Pakistan as recent buyers and explains how much it really costs them in terms of their unmet social agendas.

For example, Korea ordered 28 missiles from America, spending an amount that could have been used to immunize all of its 120,000 unimmunized children and provide safe water to 3.5 million people.

President Comments on Democracy, Privatization

SK3105121294 Seoul YONHAP in English 1113 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—President Kim Yong-sam said on Tuesday "Our liberal democracy is an absolute value which we all should safeguard and cultivate under all circumstances."

In a statement issued in observance of the "month of veterans and fallen patriots" in June, President Kim said today's world situation following the demise of the Cold War expressly shows that "our belief in liberal democracy has been right."

He said the strength with which the precious value can be upheld would spring only from burning patriotism and firm senses of national security on the part of each people. "It is thanks entirely to the sacrificial dedication made by our fallen patriots and veterans that we today enjoy peace and prosperity in a free and democratic country," Kim said.

Also in an exclusive interview with the NAEWAY ECONOMIC DAILY [name of daily as received], President Kim said he would see to it that some public enterprises would be privatized in a just manner without any tint of suspicion.

Denouncing some industries for unfoundedly accusing rival firms in bids to grab public enterprises being privatized, the president said relevant offices are now working out a plan to forestall any by-products that may pop up in the course of privatization.

He said the government would enforce a plan to sharply improve the environment for foreigners investment within the first half of this year. The plan, he said, would involve all areas related to foreigners direct investment such as financing, taxation, labor and land use.

Touching on his upcoming official visit to Russia, President Kim said he hopes the tour would serve as an opportunity to further expand bilateral economic cooperative relations between the two countries. "During my visit, we will in particular try to remove various obstacles to free trade and investment and enhance practical cooperation in all areas," he said.

Prime Minister Increases Dialogue Activities

SK2905023894 Seoul THE KOREA TIMES in English 29 May 94 p 2

[Text] Prime Minister Yi Yong-tok is now increasing dialogue activities apparently aimed at expanding his sphere of influence. Since his inauguration, many have thought he would place more priority on "cabinet harmony" than on action, comparing him with his predecessor Yi Hoe-chang, who actively sought his share of the job as the second man in the administration.

Yi is now making "quiet waves." He is meeting as many people as possible. As part of this, he met low-ranking government officials over lunch about a week ago. And yesterday, he held a meeting to discuss ways to restore social dialogue in the wake of shocking murder of a mother and father by their son.

About a week ago, a millionaire Oriental medicine distributor and his wife were found stabbed and burnt to death at their home in southern Seoul. And to public shock, police announced Thursday that the murderer was their 23-year-old son.

In a government effort to find the out causes of the social malady represented by the malicious and cold-blooded, Prime Minister Yi Yong-tok held a meeting to discuss ways to restore social health. At the meeting, Prime Minister Yi stressed the need for preventive measures for the mental health of the younger generation, reminding the participants of the White House Conference on Youth and Education held 30 years ago in the United States.

"There are lots of causes making our youths mentally ill. There are the hell-like college entrance examination, human relations ridden by morbid egoism, moral cynicism, and unlimited competition," said the former pedagogue.

He analyzed that the murder was to be expected in a situation where deviation and pathological symptoms have already reached a dangerous point. "We must not hesitate any more. Efforts to heal the illness, however hard they may be, or even if they are nearly impossible, should be initiated right now," Yi emphasized. He called for the participants to pursue free discussion so that plans of what they should do and where they should begin to solve "the shocking problem" would emerge.

"I think the solutions which will be found in the process of this meeting will require efforts of individuals, family, school and society, and especially the share of the efforts taken by the government will be much larger," Yi said.

'Splinter' Parties To Merge 'Early Next Month'

SK2805064094 Seoul YONHAP in English 0540 GMT 28 May 94

[Text] Seoul, May 28 (YONHAP)—Two splinter groups, the United People's and the New Political Reform Parties, have recently agreed in principle to merge and are likely to make an official announcement early next month.

The merger agreement came when the two parties' heads, Rep. Kim Tong-kil of the United People's Party (UPP) and Rep. Pak Chan-chong of the New Political Reform Party (NPRP), got together on Thursday. But they attached the condition that they would serve as joint representatives of the new party, informed sources said Saturday.

The UPP will convene its Executive Council Saturday afternoon to ratify the merger and begin discussions with the NPRP on such matters as the new party's name and reorganization of local chapters.

In addition, six independent lawmakers are reportedly poised to join the prospective party—Reps. Yang Sun-chik, Yim Chun-won, Kim Chin-yong, Chong Tae-yong, Chong Chu-il and So Hun. If they were to join, it would be possible to organize a new parliamentary negotiating body with the incumbent 12 UPP lawmakers and Rep. Pak of NPRP being affiliated.

However, it was not known whether another splinter party, the new Korea Party, would also join as its head, Rep. Yi Chong-chan, is keeping mum on the merger.

As the two parties have agreed in principle to merge, chances of all opposition parties reaching a "grand union" with the Democratic Party as its central axis have become remoter, observers said.

A UPP official revealed, "we agreed in principle on a party-to-party merger after a series of contacts with the NPRP for the organization of a parliamentary negotiating group. If the issue of grand union of the opposition circles arises, we will think it over at that time."

Parties To Announce Merge

SK2905092194 Seoul YONHAP in English 0844 GMT 29 May 94

[Text] Seoul, May 29 (YONHAP)—The United People's Party (UPP) and the New Political Reform Party (NPRP) will merge into one on Monday.

UPP leader Kim Tong-kil and NPRP leader Pak Chan-chong will have a joint press conference at the National Assembly Monday morning to announce their union.

Kim and Pak will say that their union does not mean giving up full-scale union of the opposition parties, but it is rather a first stage aiming at union of all the opposition parties in the future, including the main opposition Democratic Party and New Korea Party.

The unified party, whose name is not decided yet, will also try to admit independent lawmakers to be a formal negotiating body in the National Assembly.

Now UPP has 12 lawmakers and NPRP has one, so according to the rules of the National Assembly, the unified party will be able to be a negotiating body if seven lawmakers join it in addition.

Expected To Create Power Shift

SK3005074794 Seoul YONHAP in English 0659 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—The merger between two splinter parties announced Monday is expected to create a considerable power shift in the nation's political opposition camp.

Reps. Kim Tong-kil of the United People's Party and Pak Chan-chong of the New Political Reform Party held a news conference Monday and formally announced their parties' merger, which first became known last week.

It is not yet clear whether their merged party will be large enough to become a negotiating body in the National Assembly. A party is required to have 20 or more lawmakers in order to qualify as a negotiating group in the unicameral legislature.

At present, the United People's Party has 12 lawmakers and the new party for political reform has one—Rep. Pak himself.

Addressing the issue of the new party's size, Kim Tong-kil said "a clearer picture" will emerge in a few days when current negotiations on bringing in independent lawmakers bear fruit.

If the new party managed to secure seven more lawmakers, it could upset the power balance that has existed ever since the inauguration of President Kim Yong-sam in February 1992 between the ruling Democratic Liberal Party (DLP) and the hitherto main opposition Democratic Party (DP).

Some political analysts are predicting there could be a further realignment of political forces.

Monday's announcement of the merger, expected to come in June, falls short of expectations for a grand merger of all opposition parties, for which "under-the-surface" negotiations have been going on since last year.

A merger of all opposition parties, to be built around the Democratic Party, has been envisaged by many but sources said the negotiations apparently failed because of the DP's "intraparty problems."

Monday's announcement, in a way, signifies that the main opposition Democratic Party has lost the initiative to form one large opposition group.

If the merged party became "large" by enticing independents into the fold, it would be much more difficult for the Democratic Party to unify all opposition forces under its leadership as the new party would demand a merger on equal terms.

In that event, the only possible path left for the DP to strengthen its status as the No. 1 opposition party will be to embrace Rep. Yi Chong-chan, chairman of the New Korea Party, and other prominent opposition politicians as individuals, analysts said.

In any event, the Democratic Party is likely to face considerable difficulties if it loses its label as the "only opposition force"—at least in the National Assembly—with the emergence of a second opposition party.

Realizing the precarious position they are in, many senior DP officials, especially those who had been advocating a grand opposition merger, were said to be urging the party to do some soul- searching, they said.

This, in turn, is expected to heighten factional discord within the party, they added.

Meanwhile, the ruling Democratic Liberal Party is watching developments and contemplating possible action should the newly merged party become a second opposition negotiating group.

DLP secretary-general Yi Han-tong told a meeting of senior party postholders Monday that the party should seriously study a possible tripartite setup in the assembly.

As part of the study, the DLP is understood to be contemplating wooing independent lawmakers who had bolted from the United People's Party earlier in order to prevent them from joining the merged party.

Among the independent lawmakers the new party is interested in embracing are Reps. Yang Sun-chik, Yim Chun-won, Pak Kyu-sik, Kim Chin-yong, So Hun and Chong Chu-il.

DLP To Accept Lawmakers To Counter Growth

SK3105054194 Seoul YONHAP in English 0512 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—The ruling Democratic Liberal Party (DLP) is wooing independent lawmakers in a bid to impede the emergence of a new party large enough to become a negotiating body, DLP officials said Tuesday.

They said several independent lawmakers have expressed interest in joining the ruling party, suggesting that the DLP is currently selecting some for membership.

Two splinter parties—the United People's Party (UPP) and the New Political Reform Party (NPRP)—announced Monday they would merge and possibly become a third negotiating body in the National Assembly if they win over seven or more lawmakers.

Rep. Mun Chung-su, secretary-general of the DLP, said, "some nonpartisan lawmakers expressed the intention to enter our party long ago, but we cannot accept all of them."

He hinted that the DLP may select just enough independent lawmakers to deter the newly merged party from becoming a negotiating body.

He named Reps. Kim Chung-nam, Pyon Chong-il, Chong Mong-chun, Chong Tae-yong, Kim Chin-yong and Chong Chu-il as those who might be joining the DLP.

At present, the United People's Party has 12 lawmakers and the New Party for Political Reform has one.

If the new party managed to secure seven more lawmakers, it could upset the power balance that has existed ever since the inauguration of President Kim Yong-sam in February 1992 between the ruling DLP and the main opposition Democratic Party (DP).

Daily Notes Lawmakers' Drunkenness During Hearing

SK2805034594 Seoul THE KOREA TIMES in English 28 May 94 p 2

[From the "Press pocket" column: "Drunken Lawmakers"]

[Text] The National Assembly Legislation-Judiciary Committee's hearing for investigation into the Sangmudae financial scandal Tuesday ended in a fuss caused by drunken lawmakers.

A dozen ruling and opposition party lawmakers attended a dinner hosted by Justice Minister Kim Tu-hui at a Japanese restaurant in Yoido during an intermission of the hearing Tuesday evening. The committee summoned the minister to hear testimony on the prosecution probe into the slush fund case on that day.

Among the lawmakers attending the dinner were committee chairman Hyon Kyong-tae, Reps. Ham Sok-chae, Chong Sang-chon, Kim Hyo-yong, Pak Hon-ki and Chong Chang-hyon of the ruling Democratic Liberal Party and Reps. Kang Chol-son, Chong Ki-ho and Na Pyong-son of the opposition Democratic Party.

At the dinner, lawmakers drank so much whisky that some of them were intoxicated all through the hearing which lasted till 2 a.m. yesterday. Just after the dinner, Rep. Chong Ki-ho, quite drunk, went home to Chongju, Chungchong-pukto.

In the hearing which resumed at 10 p.m., 30 minutes behind schedule due to the party, Rep. Chong Sang-chon, whose face was glowing pink due to the influence of alcohol, interrupted questions of Rep. Chong Tae-chol of the DP, assailing him for improper use of legal terms.

The DLP lawmaker lashed out at Chong, who headed the DP's Sangmudae investigation team, for "billing a justice minister of a nation as a liar." The opposition lawmaker argued that Minister Kim was lying on the prosecution's tracing of checks issued by the Sangmudae contractor and the allegation that the money was funneled to the ruling camp during the 1992 presidential election campaign.

Amid noisy protest from opposition lawmakers, chairman Hyon called the session into recess hastily. The hearing resumed after Hyon and Rep. Kang Sin-ok of the ruling DLP made apologies.

In the resumed hearing, Rep. Na of the DP, still intoxicated, made harangues whose topics ranged from a personal history of the disgraced Buddhist Chogye Order chief So Ui-hyon and a background story on the Buddha statue at Taegu's Tonghwa Temple. So had reportedly played a role of a political broker during past regimes.

As he rambled on, Na's fellow lawmakers stopped him and Rep. Kim Hyo-yong of the DLP, apparently disgusted, bolted from his seat and stalked out of the committee room.

Rep. Kang Su-rim of the DP later confessed that he could barely endure the air of the hearing room filled with smells of alcohol. "I advised my fellow lawmakers not to attend the dinner hosted by Minister Kim, but in vain," he added.

BAI Reports Foreign Ministry Misappropriated Funds

SK3005074594 Seoul YONHAP in English 0634 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—The Foreign Ministry has misappropriated "work-drive funds" and illegally issued passports, the Board of Audit and Inspection (BAI) said Monday.

In its recent audit of the Ministry, the BAI found that between June 1993 and March this year the Ministry used 186 million won (about 230,000 U.S. dollars) in work-drive funds, 30 percent of the 502 million won appropriated as such funds during the period, without the treasurer's prior approval and then notified the treasurer of such use up to 100 days later, the announcement said.

Moreover, the Ministry used 64 million won in work-drive funds to treat officials working overtime to special food, though the funds cannot be used to pay for food.

In addition, last year the Ministry issued, through overseas missions, passports to two citizens subjected to government administrative action for wrongdoings, which is in violation of the rules. The Ministry failed to advise the missions concerned of the information about the persons in question.

The BAI also found that the Ministry issued in December last year and February this year multiple-use passports to two citizens whose administrative action was temporarily suspended, though such citizens must be issued a single-use passport.

No Evidence Found for Assassination Implication

SK3005033994 Seoul YONHAP in English 0222 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—The joint military-prosecution investigation team, which probed the assassination of President Pak Chong-hui by then Central Intelligence Agency Director Kim Chae-kyu in October

1979, had found no evidence that then Army Chief of Staff and martial law commander, Gen. Chong Sung-hwa, was an accomplice in the slaying, a former team member testified recently.

Paek Tong-nim, 57, who served as chief investigator of the Defense Security Command and concurrently as a key member of the joint investigating team, told the prosecution that no concrete evidence of Chong's involvement had been detected in the course of probing the assassin Kim, according to a spokesman for the Seoul District Public Prosecutor's Office.

The joint investigation headquarters' announcement on Dec. 24, 1979, charging Chong with high treason was based not on any concrete evidence but on what he did after after Kim killed Pak on the night of Oct. 26, 1979, Paek was quoted as saying.

The Seoul District Public Prosecutor's Office is looking into a criminal suit filed by the victims of the Dec. 12 "coup d'etat-like incident of the Army" against the perpetrators, including former Presidents Chon Tu-hwan and No Tae-u. Chong Sung-hwa is one of the victims.

Paek dismissed as "not true" then Defense Minister No Chae-hyon's statement on Dec. 13, 1979, that martial Law Commander Chong was arrested for interrogation because new evidence was discovered in the course of investigating the assassination.

The joint probe team felt the need to question Chong because when Kim killed Pak he was nearby and Prosecutor Chong Kyong-sik, a member of the joint team, called on the martial law commander at his office three times to question him about his actions on the assassination day, Paek was quoted as saying.

Paek said that without evidence supporting his involvement in the assassination and without then President Choe Kyu-ha's permission, the joint military-prosecution investigation headquarters, led by then Defense Security Commander Maj. Gen. Chon Tu-hwan forcibly arrested Chong, seemingly because of the headquarters' "political motive," suggesting that the Dec. 12 incident was a mutiny by the "new military elite" to topple the government.

The prosecution is considering summoning lawyer Won Kang-hui, who as military prosecutor indicted Chong Sung-hwa on charges of abetting high treason, for questioning.

Won recently said there was no criminal evidence against Chong when he indicted him, adding the military prosecution then made "a different evaluation" of his actions on the assassination day.

The prosecution is expected to shortly conclude its probe into whether Chong was an accomplice in the slaying of Pak Chong-hui in October 1979.

Bank of Korea Notes Rise in Net Foreign Debt

SK0106072694 Seoul YONHAP in English 0634 GMT 1 Jun 94

[Text] Seoul, June 1 (YONHAP)—South Korea's net foreign debt has surged this year due to the rising trade deficit and a reduction in the flow of foreign capital into the domestic stock market, according to the Bank of Korea [BOK].

The country's net foreign debt, tallied by excluding overseas assets from the total foreign debt, jumped to 8.7 billion dollars at the end of March from 7.87 billion dollars at the end of last year, a BOK report said Wednesday.

The report said the total foreign debt had increased 1.21 billion dollars to 45.08 billion dollars as of March from 43.87 billion dollars at last year's end, while the value of overseas assets rose just 380 million dollars from 36 billion dollars to 36.38 billion dollars during the same period.

The net foreign debt dropped to 10 billion dollars last August from 11.1 billion dollars at the end of 1992, falling further to 7.71 billion dollars last November before starting to increase slightly afterwards. The upward trend has continued this year.

The surge was due to the widening trade deficit, which hit 2,524 million dollars during the first quarter this year, the drastic reduction of foreign investment in the domestic stock market and the increase in short-term foreign debt, according to the report.

The amount of long-term debt with a repayment term of more than one year fell to 24.57 billion dollars as of the end of March from 24.71 billion dollars at last year-end, while the short-term debt with a repayment period of less than one year increased 1.35 billion dollars to 20.51 billion dollars from 19.16 billion dollars during the same period, indicating the country's aggravated foreign debt structure, the report said.

The long-term debt decreased due to a government policy of curbing the introduction of long-term foreign loans for fear of a flood of incoming foreign money including stock investment capital, experts say.

The increase in short-term debt, meanwhile, can be explained by the government's efforts to ease various restrictions on foreign trade financing, including extension of the credit purchase period to 120 days from the previous 90 days starting Jan. 1, they say.

Bank of Korea Reports on Current Deficits

SK3005093994 Seoul YONHAP in English 0836 GMT 30 May 94

[Text] Seoul, May 30 (YONHAP)—South Korea's current account surplus for 1993 turned into a deficit starting in January and had worsened to 2.8 billion U.S. dollars by April, the Bank of Korea [BOK] said Monday.

Although improvement is likely in the latter half of the year, Korea is expected to run a deficit of around 3 billion dollars compared with last year's surplus of 453 million dollars, the central bank forecast.

April showed deficits of 178.5 million dollars in the trade and 103.8 million dollars in the invisible trade accounts, with the unrequited transfer surplus stopping at 24.4 million dollars to go 257.9 million dollars in the red on the current account.

Though last month's current account deficit was an improvement over the 672.3 million dollars in March, it was far larger than the 41.8 million dollars registered in April last year. Together with deficits of 1.4 billion dollars in January and 427.8 million dollars in February, the total reached 2.76 billion dollars in April compared with 822.6 million dollars a year earlier.

Exports grew 10.7 percent in January-April but imports climbed 14.1 percent, resulting in a trade shortfall of 3.01 billion dollars and an invisible trade deficit of 1.23 billion dollars.

Imports of capital goods like machinery and electronics rose 21 percent, while those of consumer goods increased 16.2 percent due to a surge in cocoa (up 54 percent), knitwear (up 51.7 percent) beef (up 44.5 percent) and electronic home appliances (up 38.5 percent). Companies importing for reserves due to shaky international raw material prices also fanned the import rise.

In the first four months of last year, imports for eventual export rose 9.8 percent while imports for domestic sale dropped 8.6 percent due to recession: The former has inched up just 2.7 percent while imports for home use soared 19.6 percent this year, however, proving that the spending habit is back.

A BOK official said the current account deficit is unlikely to grow further as it is gradually decreasing. But imports will probably continue to increase considering that international prices of raw materials, including oil, are on the rise.

Without radical export growth, the current account is likely to remain mired in the red. The good news is that the export unit price rose 0.4 percent in January-April while the import unit price dropped 3.6 percent, improving 4.2 percent the net trade terms that divide the former by the latter.

Net foreign fund inflow for stock investment dropped to 72 million dollars from 909.9 million dollars a year earlier. The overall balance of payments combining the current and capital accounts thus showed a deficit of 227.7 million dollars for the first time in eight months, since the 136.1 million dollars recorded in August last year.

The January-April overall balance of payments totaled 333.9 million dollars, far below the 2.14 billion dollars of the same period last year. Foreign currency holdings reached 21 billion dollars in April, up 260 million dollars from the previous month.

ROK Borrows From Banque Indosuez To Build Train

SK2805050394 Seoul THE KOREA HERALD in English 28 May 94 p 8

[Text] Korea has concluded an accord on the terms under which it will borrow $2.34 billion from France for the construction of a high-speed railroad linking Seoul and Pusan. By obtaining concessions from Banque Indosuez, which will represent syndications to be formed for the loans, the Korean government will be able to lower finance costs by $170 million, the Ministry of Finance said yesterday.

In addition to low interest rates, the Ministry said, other terms such as debt-payment periods are favorable.

The accord on the terms of the proposed French loans to Korea was signed by Chong Tok-ku, director-general for economic cooperation at the Ministry, and M. Tabouis, senior vice president of Banque Indosuez, yesterday afternoon.

Korea and France are scheduled to sign an agreement on the French export and commercial loans in August this year after syndications are formed for the loans.

The annual interest rate on a $1,617 million loan to finance the French export of TGV supertrains to Korea has been lowered from the 7.28 percent level to 6.25 percent, the Ministry said.

The cut in the interest rate will save $150 million, the Ministry said. Added to this is $4.6 million saved from the reduction of the commitment fee from 0.325 percent of the loan per annum, which had been demanded by the French bank, to 0.28 percent.

Korea has conceded to the French demand for a 0.4 percent management fee and a 1.2 percent insurance premium, the Ministry said.

The debt payment period will be 18 years, including an eight-year grace period during which the payment of interest will be deferred, the Ministry said.

The average interest rate on two commercial loans totaling $720 million, which the Korean Government will use to finance domestic purchases, will be 0.57 percent on top of the London Inter-Bank Offered Rate (LIBOR), down from the 0.75 percent spread which had been demanded by the French bank.

This concession which Korea has obtained from the French bank will save $13 million, the Ministry said.

The Tranche A loan of $411 million, which will be paid back in 12 years, has a 0.55 percent spread on the LIBOR, down from the 0.625 spread demanded by the French bank.

The Tranche B loan of $309 million, whose debt-payment period is 15 years, has a 0.6 percent spread, down from the French demand for 0.875 percent.

The commitment and management fees will be 0.3 percent and 0.7 percent per annum, respectively, as was demanded by the French bank.

"A commercial loan with a 15-year repayment period is unprecedented in the world financial market," said Chong of the Ministry. "In addition, the interest rates (of the Tranche A and B loans) are very low."

To secure concessions from the French Government, Chong said, Minister of Finance Hong Chae-hyong met with the French prime minister as well as his French counterpart when he visited France to attend the Asia Development Bank's annual meeting earlier this month.

Following Hong's talks with the top French officials, he said, negotiations on loan terms proceeded speedily.

"We expect the favorable terms we have obtained from France for the export and commercial loans will serve as a benchmark for Korean financial institutions planning to raise funds in the international financial market," he said.

Ministry Official Reports on Export Statistics

SK3105121094 Seoul YONHAP in English 1013 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—South Korea's exports of technology to foreign countries numbered 105 cases last year, a rise of 31.3 percent over 1992, and the money they fetched totaled 45,103,000 dollars, up 38.8 percent.

A Science and Technology Ministry official said on Tuesday the ratio of the country's technology exports to imports gained a little but it was still meager, 4.8 percent, last year. By region, technology transfer to Southeast Asian countries accounted for 91 percent of the total or 96 cases, of which 51 cases or 48.6 percent of the total went to China. But, the 51 cases transferred to China were worth only 10,295,000 dollars or 22.8 percent of the total technology exports money in 1992. The official said most of the technology exported to China were low value-added and simple knowhow such as the ones on assemblage, processing and garment making.

Meanwhile, the ministry has authorized the Korea Industrial Technology Promotion Association to handle on its behalf paper work on technology exports by private industries effective June 1 in an effort to reduce technology-exporting industries' burden.

Government Plans Technology Promotion Program

SK3105001494 Seoul THE KOREA TIMES in English 31 May 94 p 8

[Text] The government will carry out a five-year program from next year to build up the nation's technology infrastructure in a bid to maximize its technological competitiveness.

The program is aimed at not only developing strategic technologies but also enhancing the effectiveness of their distribution to cope with the post Uruguay Round era which is expected to put major emphasis on technological innovation in economic competition in the world.

A total of 706.5 billion won will be poured in to the project, 417.9 billion won of which will be committed by the government and the remaining 286.6 billion won by the private industrial sector, the Ministry of Trade, Industry and Energy said yesterday.

Next year, 40 projects will be undertaken at a cost of 145.8 billion won, 59.6 billion won of which will be provided by the government and 86.2 billion won by the private sector.

They include the fostering of technicians to design ASIC (application specific integrated circuit) chips and to develop technologies for high tech electronic games, the establishment of a software industrial technology information center and the setting-up of an industrial technology database.

Among others are the establishment of a textile industry information network, a pilot plant for fine ceramics, and the creation of a base for joint research for the development of automotive parts.

Introduction of Technology Overseas Increases

SK3105092694 Seoul YONHAP in English 0711 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—South Korean businesses introduced 707 technologies from foreign countries last year, a 32.6-percent increase over 1992, and paid 946.41 million U.S. dollars in return, a report said recently.

The turnaround in technology transfers, which had declined since 1989, reflects the business recovery in Korea, according to the "Annual Report on Technology Introduction" issued recently by the Korea Industrial Technology Association.

The annual report analyzed last year's technology introduction, finding that the electric and electronic sector led the way with 238 cases (33.6 percent), followed by 206 cases for the machinery area (29.1) and 91 cases for the chemical field (12.8).

In terms of royalties paid for technology transfers, the electric and electronic sector came first with 54.2 percent, trailed by the mechanical and chemical fields with 22.8 percent and 12.55 percent, respectively. The most conspicuous rise occurred in the construction sector with 28 cases worth 14.46 million dollars compared with three cases totaling 7.35 million dollars in the previous year.

By country, Japan ranked first with 285 cases (40.3 percent), followed by the United States (31.6 percent), Britain (5.15 percent) and Germany (4.3 percent).

The report said Korea's reliance on American and Japanese technology declined as Japan, in particular, is avoiding transfer of its advanced technology.

However, technology imports from former communist countries such as Russia rose to 17 cases from five in the previous year, indicating that technical cooperation with these states is becoming more active.

Tourism Board Reports Increase in Tourists

SK3105031994 Seoul YONHAP in English 0240 GMT 31 May 94

[Text] Seoul, May 31 (YONHAP)—The number of Taiwanese tourist arrivals here increased slightly during the first four months compared with the same period last year, with the two countries gradually restoring relations which have been strained since diplomatic ties were severed in 1992, according to the Korea National Tourism Corp. (KNTC).

A total of 51,600 Taiwanese visited South Korea from January to April this year, up 5.4 percent from 49,000 for the same period in 1993, according to a KNTC report released Tuesday.

The increase, although slight, contrasts sharply with the 145,300 Taiwanese visitors to Korea in 1993—a 50.9-percent drop from the previous year's 296,000, the KNTC report said.

The KNTC report attributed the rise to an easing of anti-Korean sentiments among Taiwanese, which climaxed just after Seoul broke diplomatic ties with Taipei in favor of relations with the communist mainland in 1992.

Seoul and Taiwan have since been trying to resume bilateral relations, establishing liaison offices in Seoul and Taipei and expanding economic cooperation between businesses.

The KNTC also sent a delegation to Taipei early this year to promote "Visit Korea Year 1994," placing ads in the Taiwanese media.

Meanwhile, 36,500 South Koreans went to Taiwan during the first four months, a 56.7-percent increase from 23,300 during the same period in 1993, approaching the level reached before the severance of ties, according to the KNTC.

* Farming Strategy Reacting to UR Pact Discussed

942C00109A Seoul YONHAP MONTHLY PHOTO JOURNAL in Korean Mar 94 pp 16-27

[Excerpts] The strong winds of the Uruguay Round [UR] talks concluded last December are bringing a great shock to our farming villages, and movements are vigorously arising to overcome this. These movements, being conducted in the direction of producing value-added products based on scientific agriculture, are here and there showing instances of success, injecting new hope into the depressed farm economy.

Started out of an understanding that only competitive products can survive, these new agricultural methods are characterized by aspects that are completely different from the past, for example, the adoption of advanced technology such as computers. They are drawing agriculture to a higher level by increasing productivity and competitiveness, and are aiming for high technology and high added value in agricultural products, just as is done with industrial products. Recently, in particular, this is not stopping at domestic markets, but instances are increasing of products making inroads into Japan and other foreign markets. This shows that these methods are readily capable of developing the present crisis into an opportunity for making great strides.

The agricultural sector being dealt the greatest blow following the conclusion of the UR talks is the rice market. With 4 percent of domestic consumption supposed to be brought in from foreign countries by 2004, it is predicted that the price competitiveness of domestically produced rice will fall dramatically, dealing a serious blow to farmers dependent on rice cultivation.

It is predicted that when the rice market opens in earnest, the price of domestic rice will fall, followed by reduced production, self-sufficiency, and farm-household income. The side effects will not be slight.

To stop the disintegration of the rice-farming household, high-quality rice must be produced at a low cost and brought to market. Considerable advances are being made in the first stage of this process, such as in species improvement for producing high-quality rice, and this brings hope.

The Rural Development Administration, the delivery room of our nation's agriculture, boasts that at present, in the quantity and quality of its rice, Korea is ahead of its competitors, Japan and the United States. Developed in 1991, Grade-I Rice, in particular, is assessed to be vastly superior to Japan's "Koshirikari" and America's "Calrose," which have been known to be of good quality, with a good taste as well as clear, clean grains.

The Rural Development Administration was also successful in developing other new kinds of rice, such as "Suwon—No. 387," "Suwon—No. 393," and "Miryang—No. 115." Presently going by their test names, it appears that these types of rice, if supplied to normal farming households, will further heighten competitiveness, at least as far as quality goes.

In charge of rice-quality development is the research team of the Rural Development Administration's Crop Testing Center. With a total of 31 members devoting themselves to research, this team has for the last ten years applied genetic engineering, and so on, toward developing two to five new species every year.

Of these, "Grade-I Rice," "Changan Rice," "Odae Rice," "Tongjin Rice," and "Mangum Rice," supplied since 1990, are strategic species capable of dealing with the opening of markets to imports. The research team will soon come out with "Hyangmi," whose grains give off a pleasant smell; "Taerimmi," whose grains are more than twice as large as normal rice; and "Yusaengmi," whose grains contain various colors.

"We are developing various new species based on the over 21,500 species of rice now stored at the seed bank," says Mun Hon-pal, director of the Crop Testing Center's Lowland Rice Breeding Division. Expressing confidence, he said, "I believe that in quality, Korean rice is already securing international competitiveness."

Besides this, concerning the 13 items to be opened for import, such as cereals, miscellaneous grains, and flowering plants, the Crop Testing Center seed bank has secured over 11,000 kinds of seed and is increasing efforts to develop high-quality species.

Competitiveness in the rice market is not obtained with quality alone, however. The most important task faced at present is lowering the price of rice, some three times higher than American rice, to a competitive level. For this, it must be backed by agricultural technology and government policy targeting low production costs and high production power. There will be considerable difficulty in accomplishing this, say Rural Development Administration officials.

"More than anything else, an expansion of agricultural land is needed to make possible large-scale mechanized agricultural," says researcher Yun Yong-tae, stressing, "The backing of government policy is urgently needed for the reclamation of farm land, which requires the investment of massive project costs."

Efforts to find a way of escape, and swimming out of the rough seas of the UR are particularly lively at the private level. Instances are appearing a few at a time of the development of new products mobilizing all kinds of ideas, of facilities conceived and operated to reduce production expenses, and even of products making inroads into foreign markets. [passage omitted]

More than anything else, the government and the public need to have a new understanding of agriculture, and farmers too must cultivate a self-renewing capability by developing agricultural methods in keeping with the times.

In connection with this, Ho Sin-haeng, former agriculture, forestry, and fisheries minister, says, "First of all, the administration must present a mid- and long-term blueprint with a good understanding of farming and farming communities." He stresses, "Containing the administration's strong will to carry out its policies, it must be capable of inculcating in farmers a motivation to produce."

"There must be reform in agricultural education and other areas for raising a specialized workforce. Market reform for price stability must be realized along with it," he says, adding, "Farmers too should conduct one-village-one-product campaigns, campaigns to create local specialty production complexes, and so on, enabling themselves to be independent in the long run."

Burma

Khun Sa's Forces Said Closing in on Tachilek

BK3005072794 Bangkok BANGKOK POST in English 30 May 94 p 8

[Text] Forces of the rebel Shan warlord Khun Sa have pushed to within 6 km of the strategic eastern Burmese town of Tachilek, where 700 government troops face food and water shortages, a rebel source said yesterday.

"We hope to capture Tachilek," an official of Khun Sa's Mong Tai army said. "Our men are very near to the town and the defenders are nearly out of food."

Last week the rebels, mostly members of Burma's minority Shan population, reportedly stormed three Rangoon government bases near Tachilek and blew up a dam at the town's main reservoir.

Heavy fighting at the three government outposts on hills surrounding Tachilek between May 17 and 27 resulted in the deaths of 160 Burmese troops and 80 wounded, according to the Mong Tai army official, who spoke on condition of anonymity. He said 17 Mong Tai army troop were killed in the fighting and another 39 were wounded.

Tachilek is the main border trade link to the northernmost Thai town of Mae Sai, 1,165 km north of Bangkok.

Burmese forces had been reinforced in the area in recent months in anticipation of a major offensive, but the Shan rebels launched a series of attacks two weeks ago that appeared to put Rangoon government troops on the defensive.

The Mong Tai army official said two Burmese military jets based at an air base at Tachilek flew two sorties May 17-18 during fierce fighting around the village of Mong Kyawt, about 24 km from the Thai border. He said the Burmese jets dropped bombs from a high altitude because "they are afraid of our missiles."

Khun Sa's army, financed through taxes on opium caravans and heroin refineries in the Shan State, is equipped with surface-to-air missiles.

The half-Shan, half-Chinese warlord has been indicted on drug trafficking charges by a US federal court.

A Thai Third Army officer at the border identified the Burmese jets as F-7 fighter-bombers, which had been purchased by the Rangoon government from China.

The fighting in Burma has forced hundreds of Shan, Akha and Lahu tribesmen to seek shelter in Thailand because they fear being rounded up and forced to carry munitions for the Burmese.

Burma's military government, which has been trying to establish its control in the Shan State and other rebel-held areas for more than 40 years, routinely uses press-ganged civilian "porters" to carry supplies.

Karen Rebels Reportedly Funded by Khun Sa

BK2805114194 Bangkok BANGKOK POST in English 28 May 94 p 6

[Text] Opium Warlord Khun Sa is financing the Karen National Union [KNU], led by Gen Bo Mya, in an attempt to strengthen the fighting alliance against the Burmese government, a reliable source said.

Financial support from Khun Sa is believed to total up to three million baht, which was handed over to the KNU at a meeting in Maneplaw between April 15-17, the source added.

Maj-Gen Tun of Khun Sa's Muang Tai Army [MTA] led the representative from Shan State in a meeting with Karen guerrilla leaders, the source claimed an intelligence report as saying. Both sides received their respective benefits from the move, the source remarked.

Khun Sa gave financial support to the KNU to secure shipment of heroin from the Golden Triangle, the source said adding that the first shipment would be from Shan State down the Salween River to Moulmein.

Khun Sa wanted the shipment secured as it passes areas influenced by the KNU, according to the source.

The KNU, on the other hand, is believed to be seeking financial support from the opium warlord to stage its anti-Burmese government operations. The move is the latest development between Gen Bo Mya and Khun Sa whose first contact was believed to have been in 1991.

Their meeting was designed to strengthen the two anti-government groups in fighting Burmese government forces.

Prior to the recent secret meeting, both sides met at least twice in March and early April to discuss cooperative efforts against the Burmese regime.

The source said the first shipment of drugs is expected to take place after fighting between the MTA and government forces subsides, which is expected soon due to the approaching rainy season, the source said.

The ongoing fighting is seen as an attempt by Khun Sa to demonstrate a show of strength and to boost confidence within his heroin buying network, the source pointed out.

Officials of Khun Sa's Muang Tai Army, contacted by BANGKOK POST yesterday, declined comment on the matter.

Cease-Fire Agreements Said Facing Breakdown

BK0206085094 Bangkok THE NATION in English 2 Jun 94 p A5

[Text] The Burmese junta's fragile ceasefire agreement with some of its rival ethnic guerrilla groups is facing breakdown with the possibility that fighting will re-erupt in the northeastern Shan State.

Intelligence and ethnic sources monitoring the situation along the Thai-Burmese border said several of the 11 armed ethnic groups which are party to the ceasefire have expressed their frustration over Rangoon's indifference to their political objectives and demands for greater autonomy.

The groups have come to realize that they have little or nothing to gain from the truce while the junta, better known as the State Law and Order Restoration Council (Slorc), has exploited the situation by claiming all the credit for the peace pact, the sources said.

Most ethnic groups have not openly aired their dissatisfaction. But the Wa guerrillas, the strongest group and the first to strike a truce with Rangoon in 1989, have stood up to express their views.

Forming the major and grassroots component of the Burma Communist Party, the Wa in early 1989 revolted against the ageing Maoist leaders and seized control of the communist headquarters as well as large stocks of heavy weaponry and ammunition supplied to the Party during the communist heyday by China.

Karen leader Gen Bo Mya said recently he had received information that some of the 11 armed ethnic groups "are very frustrated" that there have been no political developments or negotiations since the ceasefire was agreed. Some groups have threatened to break the truce.

"There is no progress. They were told that if they want to talk politics they must first lay down their arms and return to the legal fold," he said.

Bo Mya also predicted that fighting would re-erupt. The Karen leader's statement was confirmed by intelligence sources and a Wa official who requested anonymity.

The official told THE NATION that the Wa are disappointed with Rangoon's rejection of their demands for a Wa State. He said bilateral relations have been "very tense" lately following several incidents.

Among others, Rangoon has refused to consider or discuss a proposal for the setting-up of the Wa State submitted by Wa representatives to the National Convention, he said. The convention was arbitrarily set up early last year by the Slorc to draft the country's new constitution.

"The draft constitution only mentions seven states and seven divisions," which do not include the Wa State, the official said.

He said a senior leader of the United Wa State Party travelled from the Wa headquarters at the Sino-Burmese border in Shan State to Rangoon at the end of April to reiterate the groups' demand for a separate state. He said the Wa had threatened to break the ceasefire deal with Rangoon unless their demands for statehood were responded to positively.

"Just after we celebrated our 5th anniversary of the Wa revolution against the Burma Communist Party on April 17, a Wa leader went down to Rangoon. He warned the Slorc that without a genuine Wa State, the (Wa-Slorc) ceasefire would not last long," he said.

The Wa official, however, said he did not know if the Wa leader had yet returned from Rangoon and could not confirm a report that he had been detained in Rangoon since the end of April.

He said other armed groups were also unhappy with the Slorc indifference to their political cause and demands for political discussion but did not openly show their dissatisfaction due to the military weakness of the groups.

"The Wa is holding the key to the success of the Slorc's truce with other ethnic groups. If the Wa ceasefire breaks down, other groups will follow suit as we are the largest group," he said.

The Slorc has for the past several years pressed the Wa to reduce the number of its estimated 25,000-30,000 troops to 3,000, a demand rejected outright by the ethnic guerrillas.

The latest incident contributing to the worsening of Slorc-Wa relations was the Wa's discovery at the end of January of 87 C-3 and G-4 guns hidden in 3,000 sacks of rice rationed every month to the guerrillas as part of the bilateral ceasefire agreement, according to the Wa official.

Indonesian Business Delegation Meets Ministers

BK2805062594 Rangoon Radio Burma in Burmese 1330 GMT 27 May 94

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received Mr. Homoko P. M., head of the Board of Directors of the P.T. Humfort Company from Indonesia, and entourage at the Ministry of Defense's Dagon House at 0800 this morning.

Together with Lt. Gen. Khin Nyunt at the meeting were Brigadier General Abel, minister of national planning and economic development; U Ohn Gyaw, minister of foreign affairs; U Tin Tun, deputy minister of energy; and U Aung Phone, deputy minister of forests. Matters on opening up Indonesia House in Myanmar and improving trade with Myanmar were coordinated and discussed at the meeting.

Accompanied by Mr. Mohamed Sanusi, Indonesian ambassador to the Union of Myanmar, Mr. Ir. [Engineer] Hartarto, coordinating minister of industrial and trade affairs of the Republic of Indonesia, and entourage called on Lieutenant General Tun Kyi, members of the SLORC and minister of trade, at the Ministry of Trade at 1330 this afternoon. Frank and cordial discussions on bilateral economy and trade issues were held at the meeting.

Mr. Joop Ave, minister of tourism, post, and telecommunications of the Republic of Indonesia, and party who are currently in Yangon [Rangoon] called on Information Minister Brig. Gen. Myo Thant at the Myanmar Television and Radio Department [MTRD] at 0900 this morning.

The meeting was also attended by U Kyi Lwin, director general of the MTRD; U Win Sein, director general of the Information and Public Relations Department; U Aung Maung, managing director of the Printing and Publishing Enterprise; U Than Maung, managing director of the News and Periodicals Enterprise; U Tin Pe, managing director of the Motion Picture Enterprise; and responsible personnel. They held frank and cordial discussion and exchanged their television and radio work experience. With the assistance from the Ministry of Culture, the visiting minister and entourage were entertained with a dance from the Rama play and O-zi [Long drum] dance. Radio Myanmar's band and singer Nwe Yin Win also entertained the visiting minister and entourage with a popular Indonesian song.

After the entertainment program, U Kyi Lwin, director general of the MTRD, and Mr. (Rali Siregar), chairman of the RCTI [Rajawali Citra Televisi Indonesia] private television company, signed a memorandum of understanding on bilateral exchange of television programs. After the signing of memorandum, Information Minister Brig. Gen. Myo Thant presented the gifts to Mr. Joop Ave, minister of tourism, post, and telecommunications of the Republic of Indonesia, and entourage.

Similarly, a business mission led by Indonesian Communications Minister Dr. Haryanto Danudirto also called on U Win Sein, minister of rail transportation, at the latter's office at 0800 this morning. They held frank and cordial discussions on matters concerning Myanmar's railway and road transport for a bilateral mutual cooperation.

Mr. Ir. Hartarto, coordinating minister of industrial and trade affairs of the Republic of Indonesia, and entourage visited Shwe Dagon Pagoda, Defense Services Museum, and (Bamwegon) reservoir project in the industrial zone in Syriam-Kyauktan area this morning.

Mr. Ir. Hartarto, coordinating minister of industrial and trade affairs of the Republic of Indonesia, and his wife; Dr. Haryanto Danudirto, ministser of communications, and his wife; Mr. Joop Ave, minister of tourism, post, and telecommunications; senior departmental officials, and private business entrepreneurs, who paid three-day goodwill to Myanmar at the invitation of the Government of Union of Myanmar, left Yangon by special airplane this evening.

The Indonesian delegation was seen at Yangon airport by Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, and his wife; Lt. Gen. Tin U, secretary-2 of the SLORC, and his wife; Lt. Gen. Kyaw Ba, minister of hotels and tourism; Lt. Gen. Thein Win, minister of transport, and his wife; Brig. Gen. Abel, minister of national planning and economic development; U Soe Tha, minister of communications, post, and telegraph; U Nyunt Swe, deputy minister of foreign affairs, and his wife; U Ni Ni Than, accredited Myanmar ambassador to the Republic of Indonesia, and his wife; Mr. Mohamed Sanusi, Indonesian ambassador to the Union of Myanmar, his wife; responsible personnel, and Indonesian embassy staff.

Construction Minister Returns From PRC

BK3005071394 Rangoon Radio Burma in Burmese 1330 GMT 29 May 94

[Text] A five-member Myanmar [Burmese] delegation led by Construction Minister U Khin Maung Yin, which paid a goodwill visit to the People's Republic of China [PRC] at the invitation of PRC's minister of railways, this afternoon returned to Yangon [Rangoon] by Myanmar airways International flight via Singapore.

The minister was welcomed at Yangon airport by Brigadier General Maung Maung, minister of livestock breeding and fisheries; Colonel Pe Thein, minister of prime minister's office; Col. Aung San, deputy minister of construction; Mr. Liang Feng, ambassador of the PRC; responsible personnel, friends, and family members.

Brunei, Malaysia & Singapore

Malaysia

CNN Urged To Air Mahathir's Arms Supply Denial

BK0206053994 Kuala Lumpur BERNAMA in English 0430 GMT 2 Jun 94

[Text] Kuala Lumpur, June 2 (OANA-BERNAMA)—The Cable News Network (CNN) will be asked to clarify its news report claiming Malaysia is among three Muslim countries supplying arms to Bosnian Muslims in violation of a United Nations ban. We want to know their intention for carrying the report, Information Minister Mohamed Rahmat told reporters here Wednesday.

The CNN reported Tuesday, quoting sources, that Malaysia, Iran and Turkey had been identified as the countries running arms to the Bosnians.

Malaysian Prime Minister, Dr. Mahathir Mohamed denied it, and Turkey did the same. Mohamed urged CNN to carry Dr. Mahathir's denial if it wished to be fair to Malaysia.

Further on Turkmenistan President's Visit

Mahathir Bids Farewell

BK0106084694 Kuala Lumpur Radio Malaysia Network in English 0600 GMT 1 Jun 94

[Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed bade farewell to Turkmenistan President Saparmurad Niyazov at Carcosa Seri Negara [State Guest House] in Kuala Lumpur today.

Niyazov was on a three-day official visit with a 45-member delegation, including 5 deputy prime ministers, and six provincial governors.

During the visit agreements were signed between Malaysian and Turkmenistan officials to enhance bilateral cooperation between the two countries. [passage omitted]

Radio Comments on Results

BK0106134094 Kuala Lumpur Voice of Malaysia in English 0810 GMT 1 Jun 94

[Station commentary]

[Text] Although it is Turkmenistan President Saparmurad Niyazov's first visit to Malaysia, considerable headway was achieved in ties with Malaysia. The five bilateral agreements signed in various fields are vital as they will pave the way to enhance two-way cooperation. This is all the more significant as the breakaway Soviet Union state only achieved independence three years ago.

Therefore, there is much the Central Asian nation can learn from Malaysia. As can be seen from the deteriorating situation in Russia, the transition towards a market-based economy is not all that easy. It is important that the right economic policies and development strategies are in place. To this end, Malaysia is ready to offer its expertise wherever it is possible in the spirit of South-South cooperation.

With a population of 4.2 million people, Turkmenistan is rich in oil and gas reserves, minerals, cotton, and chemical properties. This provides excellent prospects for the development of downstream activities—an area where Malaysia has excelled in. The national oil corporation Petronas can look into tapping the oil and gas reserves besides looking to develop petrochemicals in Turkmenistan. Other areas for potential joint ventures include hotel construction, resort facilities, and tourism. But the former Soviet state has to realize that foreign investments do not flow into a country automatically. It must work towards creating a conducive investment climate. Red tape must be cut to a minimum. Bureaucracy has been a major obstacle for cross-border investments.

This is often the case in developing countries. So far, Turkmenistan's legislation which provides for foreign investments is a step in the right direction. Its free economic zones is yet another indicator that its investment strategy is on the right track. Infrastructure facilities have to be well in place, otherwise foreigners will be reluctant to invest. It also has to realize that competition for the foreign investment dollar is getting more intense. Also, its private sector has yet to fully develop its potential.

There is much it can learn from Malaysia's success in privatization. It is important that the development of private enterprises is accompanied by social benefits. Otherwise a wide cross section of the people will never taste the fruits of economic development and might sow the seeds of discontent. Malaysia is ready to offer training aid under the Malaysia technical cooperation program in administration, banking, and other fields. It has trained officers under this program from numerous other developing nations. It forms part of Malaysia's commitment towards transferring skills to South countries.

Turkmenistan's decision to establish an embassy in Malaysia marks a major step in building a concrete bridge towards enhancing two-way contacts at the highest level. This would go a long way in bringing bilateral links to a more significant level.

Niyazov's visit, which comprises a high-powered delegation, indicates the importance the country places in its relationship with Malaysia. The visit has also opened a new chapter in what is potentially a mutually beneficial and long-lasting relationship between Malaysia and Turkmenistan.

Mahathir, PRC's Li Peng Exchange Notes

BK0106133994 Kuala Lumpur NEW STRAITS TIMES in English 31 May 94 p 2

[Text] Kuala Lumpur, Mon. [30 May]—The bilateral relations between Malaysia and China have reached a new level of understanding and cooperation, and the two countries should take pride in the steady development, Datuk Sri Dr. Mahathir Mohamed said.

He said in the last five years, bilateral relations had increased by leaps and bounds in many fields of cooperation.

"I am confident this trend will be further reinforced in the years to come," he said in a two-page letter to Chinese Premier Li Peng on the occasion of the 20th anniversary of diplomatic ties between the two countries. His letter was released by Wisma Putra [Foreign Ministry].

Formal ties were sealed in Beijing on May 31, 1974 by the late Tun Abdul Razak, then Malaysian Prime Minister, and his then Chinese counterpart the late Zhou Enlai.

Dr. Mahathir paid tribute to Razak's vision and courage in making Malaysia the first ASEAN country to normalise ties with China.

"I believe credit for the development of the excellent relations between Malaysia and China should also go to the pragmatic and outward-looking leadership of China," he said.

He said the policy of friendly relations with neighbouring countries had encouraged positive developments in bilateral relationships, particularly in recent years.

Both Malaysia and China could take pride in the steady development of mutually satisfying relations over the last two decades although links between them actually go back a long way in history, he added.

Apart from the rapid increase in economic cooperation, trade, and investment, Dr. Mahathir said cooperation in other fields such as tourism, cultural exchanges, and people-to-people contacts would further encourage better understanding and friendship.

Foreign Minister Datuk Abdullah Ahmad Badawi also sent a message on the occasion to his Chinese counterpart and Vice Premier Qian Qichen.

Li, in a congratulatory message to Dr. Mahathir, said both China and Malaysia were developing countries with similar historical experiences and were now facing the great tasks of developing the national economy.

"The seeds of Sino-Malaysian friendship sowed 20 years ago have now yielded rich fruits. I am convinced that the tree of our friendship that is being fostered will grow even healthier in the years to come."

Noting Dr. Mahathir's three visits to China in recent years, the Chinese premier said the visits had promoted mutual understanding and trust and brought Sino-Malaysian relations to a new stage of all-round development. The economic and trade cooperation between the two countries had now made remarkable achievements, he said.

"It has been proven by facts that the maintenance of friendly and good neighbourly relations between China and Malaysia is not only in conformity to the fundamental interests of the two countries, but also conducive to the peace, stability, and prosperity of the region."

Qian sent a similar message to Abdullah expressing the hope that the existing strong relations between the two countries would continue to be consolidated in the future.

"We highly regard your government for upholding justice and speaking out from a sense of justice in international affairs and promoting the political stability and economic prosperity of this region," he said.

Cambodia

Sihanouk Views Outcome of Roundtable Talks

BK0106110594 Phnom Penh National Radio of Cambodia Network in Cambodian 0300 GMT 1 Jun 94

[Message from King Norodom Sihanouk to his subjects; date not given—recorded]

[Text] My respects to both supreme patriarchs, to Samdech Preah Pouthiveang, Samdech Preah Khousananda, and Samdech Preah Mongkol Teppeacha [superior monks], and to the rest of the Buddhist clergy; my respects to all my beloved compatriots, old and young alike. I would like to inform you that the inter-Cambodian conference known as the roundtable in Pyongyang, the DPRK—Cambodia's great friend—has ended and has produced the following results:

1. His Excellency [H.E.] Samdech Chea Sim, H.E. Samdech Hun Sen, H.E. Khieu Samphan, His Royal Highness [HRH] Prince Krompreah Norodom Ranaridddh, and myself—the five of us responsible for solving problems for Cambodia—agreed to always be true and always be loyal to the principle that we will do our best to create conditions for securing peace and security for our Cambodian people, nation, and motherland. Our people have suffered for more than 20 years now. They are in urgent need of a cease- fire, of peace. Therefore, we must do our best to restore peace and fully realize national reconciliation. Furthermore, we will always be loyal to the sacred principle that the country must be free from partition or secession; it must not be divided into three, four, or more parts. We must preserve the territorial unity and territorial integrity of Cambodia forever. We must preserve the land and maritime borders of an independent, neutral, and nonaligned Cambodia which existed from 1963 to 1969 and which were solemnly recognized by the international community.

Therefore, we must defend these borders, this 1963-69 territorial integrity and must do all we can so that all countries in the world respect these land and maritime borders. In order to do that we must achieve national unity, we must regard one another as members of the same family and avoid polarization. For this reason, the Pyongyang roundtable unanimously agreed that although Cambodia's overall problems, such as the problem of war, are not yet settled to a satisfactory extent, we must carry on the talks between the Royal Government of Cambodia and the party of Democratic Kampuchea. Consequently, the Pyongyang roundtable decided that in June 1994 another roundtable will be held at Damnak Chan in the Phnom Penh Royal Palace. This roundtable will be a meeting of representatives of H.E. Samdech Chea Sim, H.E. Samdech Hun Sen, H.E. Khieu Samphan, HRH Prince Krompreah Norodom Ranariddh, and Norodom Sihanouk. The five representatives will come to the Royal Palace on 15 June, continue the work left over from Pyongyang, and see to it that there will be progress in the search for a solution to all problems, such as the problem of war.

I would like to inform all of you, venerable monks and beloved compatriots, that I Norodom Sihanouk am affected with cancer of the bone marrow, an illness for which I did not receive any treatment during the two months that I was having the honor to serve my people, my country between our traditional new year and the day I left home in May. During this time that I was serving the people, the nation, and the motherland, I was very tired every day and I did not receive any thorough medical examination from my Chinese doctor to see whether the cancer had recurred. The Chinese doctor was worried that my overwork and lack of proper medical treatment—as the one I received in Beijing—would cause a relapse. The Cambodian and French doctors in Phnom Penh took three samples of my blood for examination. The results of my blood test were not good. It showed that I still had this cancer and a few other afflictions in my system. Therefore, I needed to return promptly to the Chinese hospital in Beijing.

However, because we also needed to hold the roundtable to bring peace for our people and end their sufferings, I made the ultimate sacrifice. As a result, my future was not bright and I might become very sick and might even die. Although I was experiencing a health problem, I agreed to make the sacrifice and I did not recoil from personal discomfort when I had to work relentlessly in the past few days. Why did I agree to all of that? It was so that our nation can live in peace, ridding itself of sufferings and fear caused by war.

It is most regrettable to me that the delegation of Democratic Kampuchea or Khmer Rouge headed by H.E. Khieu Samphan to the roundtable did not agree with the Royal Government and the National Assembly.

Our Royal Government represented by HRH Prince Krompreah Norodom Ranariddh and H.E. Samdech Hun Sen and our National Assembly represented by H.E. Samdech Chea Sim, as the chairman, fully accepted the king's proposal, that is, an immediate cease-fire or, failing that, a permanent cease-fire as of 15 June when the war, the fighting must end without any conditions. They also agreed to study with the Khmer Rouge ways to include them into our Royal Government. They agreed to see whether our Royal Government can accept the Khmer Rouge leaders as ministers, deputy ministers, or secretaries of state. A number of Khmer Rouge leaders are thus to be included into the Royal Government and the Khmer Rouge army known as the National Army of Democratic Kampuchea is to be integrated into the Khmer Royal Armed Forces.

In this undertaking, I hoped that Pyongyang with its excellent atmosphere and calm would be a perfect venue for us to hold the discussion. I hoped that we would have sufficient time to solve the problems to stop the war, end the Khmer Rouge secession, and include some Khmer Rouge leaders, such as H.E. Khieu Samphan and H.E. Chan Youran, into the Royal Government.

However, the Party of Democratic Kampuchea leaders did not agree with the proposal of the King of Cambodia Norodom Sihanouk. They proposed a method of supervision that is different from what Norodom Sihanouk had suggested. They wanted to invite five foreign countries. They asked the royal government to pick five countries from the 10 they had selected to come and oversee the cease-fire. However, the cease-fire cannot be implemented if the problem of a new government, meaning the formation of a new Cambodian Government whose power is jointly shared by them, has not been resolved. If the problem is not completely solved according to their desire, they will not stop fighting. Therefore, the talks will run aground because of the Khmer Rouge's demand for foreigners to monitor the cease-fire.

Somehow, when foreigners came during the time of UNTAC [UN Transitional Authority in Cambodia], the Khmer Rouge did not allow them do any overseeing. They also endangered UNTAC and even caused the death of some UNTAC members. Now, they have changed their words, saying 10 UN members—they did not talk about the United Nations, but 10 countries which are all full members of the United Nations—should be invited and that five of them should come. However, it would take a long time for them to answer yes or no if we were to ask them. It might take months or even a year to solve the problem of cease-fire supervision. Our people will continue to suffer endlessly. Even if these countries say they will come, I still do not believe they would. I am sure they will not come. They said they had bitter experiences while they were under UNTAC in Cambodia. UNTAC told them the experiences with Khmer Rouge were most bitter. At that time, the Khmer Rouge did not respect UNTAC, but now they said they need foreigners to come and oversee Cambodians. The Khmer Rouge can never be trusted. That is what these countries said.

I wish to clarify that when the five countries are allowed to come and oversee us, it does not mean that the Khmer Rouge will agree to stop the war. They will continue to fight; they will agree to stop only if the existing government dissolves itself, contrary to the Constitution. They will do whatever they can to bring to existence a new government through which they can exert control in the areas of state affairs, the state, the country, and the nation with Prince Krompreah Norodom Ranariddh of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and H.E. Chea Sim and H.E. Hun Sen of the Cambodian People's Party. At least, power should be given to them equally, though they did not take part in the elections. H.E. Samdech Hun Sen has disagreed with that. He said that is against the Constitution and that the sacrifices of the voters will be futile and meaningless. Therefore, he remained in disagreement at the roundtable meeting in Pyongyang. That how the talks turned out.

I am no longer able to solve this problem. So, I have asked H.E. Samdech Chakkrei Nhoek Chulong, who is now over 86 years old and trusted by various parties, to go to Phnom Penh. He is staying with me now in Pyongyang and will travel to Phnom Penh to represent the king as the chairman of the roundtable meeting to be held in the Royal Palace on 15 June 1994. This is what I would like to tell the clergy.

Anyway, we hope that there would be some good results on 15-16 June. But, is our optimism reasonable? From what I know about the Khmer Rouge, I have little hope. Nonetheless, the Triple Jewel will not forsake us, the supreme patriarchs and clergy will not abandon us. Their teaching about compassion, nonviolence, and national reconciliation will one day help Cambodia, allowing it to regain peace, security, full independence, neutrality, and territorial integrity within its borders recognized during the Sangkum Reas Niyum era prior to the coup d'etat staged by Lon Nol and Sirimatak. Therefore, I wish to call on the clergy to further support the talks so as to allow our people, who have suffered in the extreme, to again live in peace. We will join hands to rebuild our nation and motherland toward glory.

As revered Marshall Kim Il-song, president of the DPRK, said yesterday: After you leave here, Cambodian brothers, please compromise before it is too late to reestablish peace for the people, nation, and motherland. Peace should be taken as national reconciliation and reunification, the basis for rebuilding the Cambodian nation and motherland toward prosperity and glory. This will allow Cambodia to catch up with other countries that are developing, while it is regressing due to division and war. Therefore, division and war should be put to an end. You should achieve peace and national reconciliation and reunite around your king to rebuild the nation, and permit it to catch up with other developed countries in this modern world. This is most valuable advice. Therefore, the PDK leaders—including H.E. Khieu Samphan and his delegation—who heard this statement with their own ears at Marshal Kim Il-song's palace yesterday, please heed this advice in a timely fashion. Please help our nation so that it can survive like other countries, and prevent it from vanishing in the future.

This is the end of my impromptu message. When the royal government delegation bade farewell to me before returning to Phnom Penh, I hurriedly recorded this message for the information of all of you. Thank you very much.

I pray that the Triple Jewel, previous Cambodian kings, and goddesses will protect all of you. May you enjoy longevity, social prestige, happiness, strength, and enlightenment. And may our Cambodia and respected and beloved people recover peace in the near future. Thank you very much.

Khieu Samphan Interviewed

BK0106153094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 1200 GMT 1 Jun 94

[Interview with PDK Chairman Khieu Samphan by unidentified station correspondent on 31 May; place not given—read by announcer]

[Text] [Correspondent] My respects to His Excellency Mr. Chairman. You just returned from the roundtable in Pyongyang. How did this meeting proceed?

[Khieu Samphan] I thank you, who represent the Voice of the Great National Union Front of Cambodia. The Party of Democratic Kampuchea [PDK] was very glad that a roundtable was held among all Cambodian parties, for it was the profound aspiration of our entire nation and people. Our nation and people had called repeatedly for such a roundtable, but it had not been possible because of opposition.

I led a delegation of Democratic Kampuchea to the roundtable with a profound desire for national reconciliation and peace so that all our forces become reunified, our country can enjoy true and lasting peace, and all our people both in the countryside and in Phnom Penh who have been victims of the war and have suffered for so many years get a chance to live and work in peace and happiness. I joined the meeting with those wishes in mind.

The PDK sought by all means to hold sincere discussions and consultations so that the aspirations of our nation and people for national reconciliation and peace can be achieved as soon as possible.

[Correspondent] As a matter of fact, what proposals did the PDK make so that national reconciliation and peace can be achieved?

[Khieu Samphan] For national reconciliation, I proposed that consultations be held to work out a formulation, that is, to formulate a minimal policy program according to which all parties would agree to set up a national government and national army of which all Cambodian parties would be members. The consultations should be made in the spirit of reconciliation and all parties should make concessions to one another as suggested all along by the king. We should look into possible ways to let the PDK join a national government and a national army, ways to bring all Cambodian parties into the national government and national army, and ways for the PDK to transfer the zones that it controls to the national government and for its army to be integrated into the national army.

Most important of all, however, was the fact that we should consult with one another so we can agree on a minimal policy program first. Only after we have this minimal policy program do we have a specific basis that all parties can accept and follow, both now that we are working on national reconciliation and in the future when the national government and national army with all Cambodian parties as members will begin their operations.

[Correspondent] What reaction did the two-headed government have to your proposal?

[Khieu Samphan] Hun Sen was the one who talked on behalf of the two-headed government. He only talked about a cease-fire. He did not say anything about national reconciliation or how to bring about lasting peace. He refused to talk about national reconciliation and national concord. On the contrary, he put forth three points which were conditions set by the communist Vietnamese and the alliance to do away with the PDK and block national reconciliation and peace.

In my opinion, the national forces of all parties should be brought together on the basis of a clear-cut policy program accepted by everybody to achieve national reconciliation. This does not mean that a party should be integrated into another party.

Up to the present, there has never been national reconciliation; there has been only war. If we continue on the old road, there will never be national reconciliation at all; the foreigners will continue to interfere, to ignite the war. For this reason, we should work for national reconciliation and for a permanent end to the war. In order to achieve national reconciliation and put a permanent end to the war, there should be a minimal policy program that all parties agree to accept and implement.

This minimal policy program is a commitment to be respected by both Cambodians and foreigners in Cambodia alike. So far, there has never been any national reconciliation or rallying of the national forces. It is for this reason that the foreigners—be it the Vietnamese or the alliance—have interfered in our affairs and continued to ignite the war that lays waste to our country. National reconciliation and the rallying of national forces is more important than anything else. It is the water that could put out the flames of war. It directly concerns the life or death of our Cambodian nation and race.

[Correspondent] Why did Hun Sen refuse to talk about national reconciliation and insist only on the cease-fire without any specific supervision?

[Khieu Samphan] During the meeting, I repeatedly stressed that the key to the problem is national reconciliation. All Cambodian parties must do their best to forge national reconciliation in order to end the war at its roots. The cease-fire issue should be settled within the framework of a solution on national reconciliation. We should not have a cease-fire just in order to make preparations for further fighting.

I recalled to mind some past experiences in the world. I cited the example of the communist Vietnamese taking advantage of the 1968 Tet cease-fire in order to prepare forces and send arms to attack Saigon. I also recalled the experiences of our own nation. The Paris agreement was a very important document. It was a document of international stature. Its objective was clear:

1. To supervise the withdrawal of all foreign forces from Cambodia.
2. To secure a quadripartite national reconciliation in the form of the Supreme National Council with the then head of state Prince Norodom Sihanouk as chairman.

But the Paris agreement was torn to shreds and trampled underfoot. There was no supervision to ascertain that the foreign forces—namely, the aggressor communist Vietnamese forces—had completely withdrawn from Cambodia. The quadripartite Supreme National Council was given no significant role at all. The quadripartite national reconciliation was aborted. Attempts were made to eliminate and destroy the PDK. All these incidents were about foreigners opposing our national reconciliation and continuing to ignite the flames of war. To this day, everybody knows how badly the war has affected our nation. Despite all of that, I informed the meeting participants that so long as we Cambodians tried our best we would succeed as we had all the capabilities and the support of our nation and people in achieving national reconciliation and true and lasting peace.

I repeatedly talked about it and yet the others insisted they did not hear, they did not understand, and they did not agree to discuss the question of national reconciliation. To accept national reconciliation means to stop seeking each other's destruction, to stop fighting each other forever, and to join hands in solving all problems, large or small, of the nation. Why did they refuse to discuss national reconciliation? It was known to all that before and during the roundtable the United States, Australia, and France were very busy mustering arms for the two-headed government. They talked outwardly about a cease-fire, but in concrete actions they were preparing forces and weapons to continue igniting the flames of war. In fact, they needed the time to prepare forces, muster arms, and transport them for stockpiling on each battlefield so they could continue to ignite the war against their own nation and people.

[Correspondent] In your opinion, what will happen in the future?

[Khieu Samphan] It is my prayer that there will be national reconciliation and genuine peace so that our nation and people can be happy and live their normal lives. The entire Democratic Kampuchea, the entire Cambodian nation and people want national reconciliation and peace. All of us want to continue the consultations and discussions in order to find a way to solve the national reconciliation problem. Our nation and people clearly see who continues to ignite the war and cause them suffering, deaths, separations, woes, and pains. They are:

1. The communist Vietnamese who continue to ignite their war of aggression in Cambodia so they can take the

opportunity to send Vietnamese nationals into Cambodia as illegal immigrants in accordance with their strategy of swallowing up Cambodia through demographic warfare.

2. The Western alliance bad elements who join hands with the communist Vietnamese in continuing to ignite the latter's war of aggression so they can take the opportunity to interfere in Cambodia's Internal affairs and push Cambodia into their sphere of influence.

Our nation and people clearly know and see who are continuing to follow and abide by the orders of the foreigners who oppose national reconciliation and continue igniting the flames of war. Our people are opposed resolutely to these elements.

Our nation and people are well aware of the roots of their sorrow and misery. National problems have not been solved nor have we solved social problems. On the contrary, they have steadily deteriorated and placed heavy pressure on the livelihood of each family both in Phnom Penh and the countryside. Therefore, the desire for national reconciliation, the desire for a permanent end to the war has become the wishes, the vital aspirations of each family of our people. It has become an extraordinarily powerful force that calls for national reconciliation, an end to the war, and peace—a force opposed to foreigners providing arms to the two-headed government to enable it to continue igniting the war, opposed to forcible recruitment, and opposed to forcing the people to serve as militiamen and reserve forces for inter-Cambodia killings.

Our nation and people have seen through the ugly schemes of the communist Vietnamese, alliance, and two-headed government. Our nation and people, our entire nation is resolutely opposed to all these dark designs. This is the invincible force driving for national reconciliation.

Delegation Reports Government Stance on Cease-Fire

BK3105142294 Phnom Penh AKP in English 0920 GMT 31 May 94

[All quotation marks as received]

[Text] [Passage indistinct] of this inter-Cambodian control commission. At this point, the Kingdom of Cambodia had already presented its candidates for this commission.

"The delegation also proposed that simultaneously with the cease-fire, an agreement in principle be adopted in order to immediately create the inter-Cambodian Control Commission as a mechanism to control and monitor without delay the cease-fire.

"The delegation fully supported His Majesty's clear-sighted and sacred idea on the solemn declaration of fidelity for Cambodia as a state of unity without partition and secession, within its own territorial integrity (the internationally recognized borders between 1963-1969), of peace, solidarity, national unity and prosperity in the concerted efforts for national construction.

"Unfortunately, the initiatives on the standstill, unconditional, immediate, total, durable, and irreversible cease-fire all over the territory of Cambodia at the above-mentioned date and time [15 June] had been categorically rejected by Mr. Khieu Samphan, leader of the Khmer Rouge, despite the insisted appeal made by His Majesty the King and the two Preah Sangkhareach [supreme patriarchs], Samdech Preah Monkol Tepeacha and Samdech Moha Khousananda.

"Instead firstly, Mr. Khieu Samphan urged that this cease-fire process be controlled and monitored by some foreign countries. A list of ten countries was submitted by Mr. Khieu Samphan for consideration, five of which had to be selected to control and monitor the cease-fire. It is worthy to note that the ten proposed countries are all full members of the United Nations that had bitter experiences with the Khmer Rouge during the process of implementing the Paris peace agreements.

"Secondly, the Khmer Rouge urged the delegation of the Kingdom of Cambodia to accept the formulation of the so-called "minimal policy program" before proceeding to the discussion on His Majesty's proposed cease-fire. This minimal policy program is nothing but its aims at dissolving the legal and legitimate institution of the Kingdom of Cambodia—the National Assembly and Royal Government of Cambodia—issued from the UN-organized and supervised general elections.

"On 28 May 1994, the participants to this roundtable talk had agreed to issue a joint communique by which a roundtable working group for peace and national reconciliation under the chairmanship of the royal representative of His Majesty the King—Samdech Chakrei Nhoek Chulong—be set up to further their discussion. This working group, which will consist of four representatives from the Kingdom of Cambodia and four others from the Khmer Rouge group, will hold its first meeting on June 15, 1994 at Damnak Chan in the Royal Palace in Phnom Penh.

"Throughout this roundtable talk, it is an undeniable fact that the Khmer Rouge revealed their intention not to seek a solution to the remaining Cambodian problems by political means, but to resort to their stalled tactics of "fight talk, fight talk." Worse still, they had striven to internationalize the remaining internal problems existing among Cambodians to dismantle the National Assembly and the Royal Government of Cambodia, internationally recognized through UN-sponsored free and fair general elections of May 1993. It goes without saying that the cease-fire, which was the outstanding and main topic of this roundtable talk could not be achieved due to the intransigent opposition of the Khmer Rouge."

Laos Agrees To Help Curb Log Smuggling

BK2905144994 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 29 May 94

[Excerpts] [Passage omitted] Lao Deputy Foreign Minister Souban Srithirat told foreign journalists his ministry has received an official letter from the Royal Government of Cambodia [RGC] in April asking Laos to cooperate by closing its border passes to block the smuggling of Cambodian logs into or through Laos into Thailand.

Souban Srithirat added that the Lao Government has already responded to the RGC's request and that Laos would implement the policy of blocking log smuggling from Cambodia through Laos in all areas bordering Laos and Cambodia, particularly in the Stung Treng-Champassak, Ratanakiri-Attopeu, and areas in Preah Vihear Province bordering Laos. [Passage omitted].

Crackdown Begins on Illegal Logging in Koh Kong

BK2705094394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 27 May 94 pp 1, 5

[Text] A crackdown on illegal logging activities in Koh Kong Province—conducted jointly by a deputy state secretary for economy and finance and a deputy state secretary for agriculture—has proven successful. The five-day raid was launched on a hideout in the province where lawless activities took place to destroy trees and export logs. Four foreign barges loaded with some 5,000 cubic meters of wood were seized pending a decision by the government in accordance with the law.

Chea Peng-chheang, deputy state secretary for economy and finance, told REAKSMEI KAMPUCHEA upon his return to Phnom Penh on the afternoon of 25 May that the operation had been successful. There were no clashes or casualties even though the stronghold the operational team raided—where destructively felled trees were stored for unlawful export—had previously been inaccessible. The deputy state secretary added: We seized a crane, four barges, and 500 cubic meters of logs suspected of being illegal.

A Singapore company called Maxtron, the owner of one of the four seized barges, is angry about the crackdown, arguing that it forgot to bring its authorization along on the barge, and that it had permission and paid taxes for the export of 1,000 cubic meters of wood, including the seized logs. Who would have dared to issue such authorization?

Commenting on this issue, Chea Peng-chheang said: We have not yet made any decision on the seizure. It is up to the government to solve this problem.

May Sam-oeun, the deputy state secretary for agriculture who also participated in leading the operation, said: The seizure of those barges was correct. The Agriculture Ministry is perfectly entitled to make arrests and seize the means of transportation and logs if the owners do not have authorization. The ban on log exports became effective 1 April 1994.

It should be pointed out that the crackdown on illegal logging was launched following a report that the illegal export of logs from Koh Kong Province was continuing, and after a terrifying clash between a combined team that sealed the Sre Ambel pass and a gang protecting the log export merchants.

May Sam-oeun added: We achieved complete success this time, unlike the unsuccessful operations we carried out with forestry officials in recent months. Some of those officials, he added, continue to issue log export authorizations to a number of foreign companies in violation of the government's ban on log exports. He did not elaborate on the cause of the first operation's failure.

Commenting on the capture of two members of the combined team by the gang protecting the log exporters following a clash on 18 May, Chea Peng-chheang said: These two officials have already been released unharmed by the gang without any preconditions. The primary goal of the 130-member operational team was to crack down on the armed gang that fired at a combined team in Sre Ambel. They all fled before the reinforcement group arrived, however. It is not yet known who the ringleader of the gang is, but there is already a hint about his identity.

NADK Denies Involvement With Missing Foreigners

BK2805104594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 May 94

["Statement" of the National Army of Democratic Kampuchea rejecting slanderous remarks against Democratic Kampuchea concerning missing foreigners—read by announcer]

[Text] I. The allies, communist Vietnamese, and communist Vietnamese puppets recently made remarks slandering Democratic Kampuchea concerning the case of missing foreigners.

II. The National Army of Democratic Kampuchea [NADK] spokesman vehemently rejects these slanderous remarks and wishes to clarify the matter as follows:

A. We are not involved in this matter. There is no reason for us to commit such an abominable act like the allies, communist Vietnamese, and communist Vietnamese puppets who always claim to be democratic or masters of human rights despite the fact that they have killed hundreds of thousands and even millions of people.

B. We have strived and are striving to end the war and to bring about genuine national reconciliation and peace so that the people can lead a normal life and earn their living peacefully.

[Dated] 27 May 1994
[Signed] The NADK spokesman

Radio VGNUFC Says Troops Continue To Desert

BK2805144794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 May 94

[Text] It was reported that on 25 May, 240 soldiers of the puppet units in Takeo Province who were sent by the two-headed government to fight on the Route 10 battlefield deserted the action.

The report said that these soldiers who were sent from Takeo Province to Route 10 by their puppet commanders did not want to fight and kill fellow Cambodians. They want peace and national reconciliation so that they can return to their parents, wives, and children.

The report added that these puppet soldiers from Takeo Province have seen with their own eyes how hundreds of the two-headed government's soldiers from both the Vietnamese and U.S. puppet groups were killed and wounded every day. Some stepped on land mines or were attacked by the National Army of Democratic Kampuchea, while others were shot dead by the communist Vietnamese and U.S. puppet commanders who were angry that the two categories of puppet soldiers kept refusing to fight. Some of them died of malaria and a shortage of food and medicine. Under such conditions, the two categories of puppet soldiers mobilized from all areas have continued to desert the battlefield in groups of 10, 20, and even hundreds. The fleeing puppet soldiers do not hesitate to shoot at anyone who tries to stop them.

Khmer Rouge Report Vietnamese Killed

BK2905151394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 May 94

[Excerpts] It was reported that on 25 and 26 May, the Vietnamese killed two Cambodians and wounded five others while Cambodians killed 30 Vietnamese and burned 60 brick houses and 27 sampans.

The report said that about 500 Vietnamese families totaling some 3,000 persons have occupied the (Kbal Tao) area along Tonle Sap lake in Pursat Province. They control all land and waterways in the area, where there are all sorts of facilities resembling a floating city for the Vietnamese.

As for the Cambodian people, they cannot earn their living independently because (Kbal Tao) belongs to the Vietnamese. The Cambodians can earn a living only by catching fish for the Vietnamese boss. [passage omitted] While the Vietnamese earn from 50,000 to 100,000 riel from selling fish caught by Cambodians, the Cambodian workers do not have enough to eat.

On the afternoon of 25 May, about 30 Cambodian workers returned from fishing to ask the Vietnamese employer for their weekly pay. They told the boss that they wanted to go home to grow rice because the planting season has come. The Vietnamese employer told his 12-year-old (?son) to give a glass of liquor to each Cambodian worker and told the workers that he would not give them pay and rice this week, as the pay and rice would be given only after they finished working at the end of June when the fishing season ended. After arguing for a while, both sides were furious. [passage omitted]

The boss then drew an AK rifle from his table and shot at the workers, killing two and wounding five others. The dead and wounded fell down from the brick house. The boss continued firing at the workers, who fled unhurt.

At 2100 on 26 May, while the Vietnamese men and women were drinking and watching television under the bright electric light, every brick house and sampan were burning. [passage omitted] Suddenly, the fire blazed up brightly.

Next morning, eyewitnesses said that 30 Vietnamese men and women were killed and 60 brick houses and 27 sampans were burned. [passage omitted] Who killed these Vietnamese? Who set fire to this floating Vietnamese city? What devices were used? Was it a bomb, a resin torch, or turpentine? Some said everything, even fuel oil, could be found in (Kbal Tao). [passage omitted]

Arms Supply for Vietnamese Condemned

BK2805124394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 May 94

[Text] According to a report from Chhlong District of Kratie Province, on 11 May at a ceremony held at the provincial office of the Cambodian People's Party, the communist Vietnamese puppets' military commander in Kratie Province provided arms to hundreds of Vietnamese families to protect themselves and threaten the Cambodians.

The people said that almost all of the Vietnamese settlers in Cambodia are already armed. By providing them with more arms, the Vietnamese will increase their activities, including bullying, robbing, and massacring the Cambodian people in Chhlong District.

The Vietnamese men and women in the district have all along been arrogant and hostile and have acted as masters of the Cambodian land and sea and plundered Cambodian property. Nevertheless, the communist Vietnamese puppets have given them more weapons.

The people said that these Vietnamese monsters are controlling and lording over almost all of the territory in Chhlong District. This is a grave threat arising from the

Vietnamese and the traitorous acts committed by the communist Vietnamese puppets.

Every Cambodian is furious and angry with the Vietnamese-headed Cambodians who have sold out our nation and land. Take a look at the areas in Kratie Province bordering Vietnam. Vietnamese men and women are moving in and out of Cambodia to plunder our resources and drive Cambodians off their land. They have taken a large portion of Cambodian territory.

The Vietnamese have taken control of all the rubber plantations in Snuol District. They have sent Cambodian rubber for sale in Vietnam in exchange for dollars, while Cambodian workers receive nothing. They have also felled Cambodian trees and sent them to Vietnam.

The people said the Cambodians cannot tolerate this traitorous act of the communist Vietnamese puppets and the Vietnamese occupation of Cambodian territory.

The people in Chhlong District and elsewhere now realize that our nation will not survive under the old Vietnamese puppets who have served as out-and-out lackeys of the Vietnamese since 1979 and the FUNCINPEC [National United Front for an Independent, Neutral Peaceful, and Cooperative Cambodia] which has followed in the footsteps of the Vietnamese puppets. Thus, the people have no other alternative but to jointly struggle to drive all Vietnamese men and women out of our Cambodian territory. Only by so doing can we defend our nation and race.

SRV Troops Withdraw from Takeo After Harvest

BK3005101794 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 30-31 May 94 pp 1, 11

[Text] The Vietnamese troops who came and planted rice on Cambodian land in Boreicholasa Disitrict, Takeo Province, late last year (19 December 1993) recently pulled back to Vietnam after harvesting all their crops.

Mr. Hah Saret, governor of Boreicholasa District, said without the strong efforts of all of us Cambodians, especially the provincial leadership, these Vietnamese troops would never have withdrawn. He expressed concern that similar incidents would again happen in the future if our border is not clearly demarcated.

The problem of Vietnamese intruding into our land and planting rice there or just plain illegal immigration takes place every year and has to be settled every year with no end in sight.

The district governor went on to reveal that along Takeo Province's border with Vietnam there was an artificial canal dug up during the time of Mr. Pol Saroeun, who was then the province's governor (of the former State of Cambodia), to prevent Vietnamese infiltration into Cambodian territory. This canal was quite effective. However, whenever it got damaged or dried up, problems normally arose. It has been frequently observed that the Cambodian side rarely intrudes into Vietnam, whereas the Vietnamese usually cross over this side of the border.

It was noted that the withdrawal of the Vietnamese troops who intruded into our land to grow rice was prompted by the pledge made following talks between the leadership of Takeo Province and that of Vietnam's An Giang Province earlier this year. The Takeo provincial leadership made three attempts to solve this problem with the leadership of Chau Doc District and An Giang Province before it was successful.

Mr. Su Phirin, governor of Takeo Province, once told REAKSMEI KAMPUCHEA that the latest round of talks with the Vietnamese side was most difficult because the Vietnamese claimed that the contested area belonged to them. They said they had heard repeated pleas from Takeo Province for years and they were determined not to give up the land as in the past. The governor said that before we could reach any agreement, we had to make a lot of inquiries, confrontations, and persuasions and we spent so much time doing just that. Mr. Phirin wished to see the border clearly and quickly demarcated to avoid similar border disputes in the future.

It should be recalled that the site where the Vietnamese troops came to grow rice is located in Cheychouk Commune, Boreicholasa Disitrict. The area is 50 to 70 meters deep and 1,500 meters wide inside Cambodian territory. These Vietnamese intruders are troops from Chau Doc District. They came to grow rice in groups of 40 to 50 persons, each armed with automatic guns and sometimes heavy weapons. This made the situation much more explosive than before when only unarmed civilians came in to grab land to plant rice or simply to set up domicile. The latter would pull out whenever our district armed forces intervened. But recently, it was the Vietnamese troops themselves who had intruded.

Some of the views admitted that it was great the Vietnamese troops had agreed to withdraw. But one thing they were most concerned about was that these troops might return in the future as there is already a precedent.

According to the provincial governor, every year when the rice planting dry-season comes, the problem of Vietnamese coming in to plant rice on Cambodian land always arises because the soil in Vietnam is not as productive as in Cambodia.

Another problem that frequently occurs is the renting of land to the Vietnamese by some of our own Cambodian citizens. This is a dangerous practice. Moreover, the governor of Boreicholasa Disitrict has complained that he cannot control every part of the sparsely populated, and vast land area (240 square kilometers) with few roads, as most of it is inundated. Moreover, during the dry season access is easier from the Vietnamese than from the Cambodian side. Nevertheless, he showed his strong determination to fully preserve the territorial integrity of Boreicholasa District.

It is to be noted that Boreicholasa is a new district of Takeo Province created in December 1987. It is currently has 18,362 inhabitants, mostly farmers and fishermen. The creation of this district was Takeo Province's strategy against the influx of illegal Vietnamese immigrants.

Central Bank To End Joint Ventures

BK3005113994 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 30-31 May 94 p 4

[Text] An official of the National Bank of Cambodia [NBC] has revealed that from now on the state banks will halt their joint ventures with the private sector. He said the state has established joint ventures with five out of the nearly 30 private banks, such as the Overseas Commercial Bank, the Cambodian Public Bank, Canadian Bank, and the Metropolitan Corporation Bank.

In joint ventures with the private sector, some state-owned banks have a small share, while others have larger amounts. But in general, the shares of state banks are from the diversification of their immovable assets in proportion to their value, as agreed upon with each commercial bank.

This state policy to halt joint ventures with private banks has already been promulgated by the NBC. However, the result of its implementation is not yet known. The NBC has withdrawn its capital from the private banks at the proposal of the Asian Development Bank [ADB]. The ADB has suggested that since the NBC is within the state structure, it does not need to establish other joint ventures with the private sector. The national bank should think only about improving its work and efficiency.

This official added that the joint state-private banking system has been used in the last four to five years because the nation has moved from a centralized economy to a free market. This is because in the centrally-planned system, all banks, like the factories and enterprises nationawide, were under the control of the state, which would bear all their profits and losses. But since the political system has changed, the economy should also change likewise.

It should be recalled that during the past few years, the NBC has generated income for the state amounting up to billions of riel annually.

According to the private bank law, a private bank will be permitted to open a banking business only with a capital of $5 million upwards. Moreover, each bank, big or small, is duty-bound to pay the state 50 million riel annually as business tax.

It is learned that as of 31 May this year, the NBC plans to stop allowing private-own commercial bank to open in Cambodia. However, there will be some special cases concerning private banks. That is, permission will be given only to the private banks from big countries such as the United States, Japan, France, Australia, and Canada.

National Bank Said Confident System Will Grow

BK0206065094 Phnom Penh CAMBODIA TIMES in English 29 May-4 Jun 94 p 14

[Text] Phnom Penh—Banks function to take deposits and make loans to the public. On either side of the balance sheet, the National Bank of Cambodia's [NBC] Economic and Monetary Statistics Review for February aims to deliver an optimistic report.

"In the banking sector, one feature which needs to be highlighted is the buoyancy in deposits growth," it said.

"It may be recalled that aggregate deposits had shown a dip in November 1993. There was a recovery in December 1993. The growth in deposits during the first two months of 1994 has been remarkable with an increase of more than 30 billion riels witnessed in each of these months," the report added.

The NBC links the increase to foreign currency deposits which reached a new height of 180 billion riels in February. It would be even more encouraging to see an outright growth in demand deposits which suggest the extent of development of a nation's financial structure.

However, intermediation in financial services are being built up gradually. A 1992 World Bank report cited the "lack of public confidence in the banking system" particularly in rural parts of the kingdom and the "scant earning potential for depositors with riel-dominated accounts".

It is true that savings as a percentage of GDP only notches a low eight per cent, but rural credit schemes are being evolved and are being custom-made for the local context.

On the assets side of the banking system, the NBC reports that credit to the private sector "recorded a sizeable decline from 181.94 billion riels in January to 169.4 or a decline of 6.9 per cent." However, it urges that the decline be "viewed in the context of a sharp rise of 12.6 per cent witnessed in January 1994", and also notes that the level of credit to the private sector for February remains higher than that for December.

Net claims of the banking system on the public sector remain unchanged. However, the NBC records a 7.2 billion-riel rise in credit to the government which it attributes to a decline in "deposits of the Government with the banking system", which dipped to 47.5 billion riels from 55 billion riels.

Meanwhile, total foreign exchange assets of the banking system continue to rise, though not as dramatically as in the previous two months. February saw a 11.4 billion-riel rise for forex assets, to reach a total of 321.9 billion riels.

This is a four per cent rise and though not as high as the 21.6 per cent and 19 per cent increase reported for previous months, the report concluded that "this consistent uptrend in assets is quite encouraging". A significant increase in forex assets would provide a support to import activity and structural adjustment of the economy.

Foreign exchange assets are an important indicator of the future health of the economy as all official reserve assets are either held as foreign exchange, as balances with overseas correspondence banks or through bilateral clearing arrangements.

Overall, the NBC report is confident that the banking system is "growing from strength to strength".

National Bank Says Money Supply Trend Favorable

BK0206085994 Phnom Penh CAMBODIA TIMES in English 29 May-4 Jun 94 p 14

[Text] Phnom Penh—National Bank of Cambodia [NBC] reports a favourable trend in the money supply's rate of expansion, which has been slowing down steadily in recent months.

Broad money, which includes currency in circulation, demand deposits, time and savings deposits and foreign currency deposits, expanded at a rate of 13 per cent in December 1993, but eased off to 8.5 per cent in January of this year and further decelerated to 7.5 per cent in February.

The NBC Economic and Monetary Statistics Review for February 1994, made available recently to The Cambodia Times, comments that this trend "augurs well for containing inflation".

Indeed, it records that the trend in the rate of inflation itself continues to be encouraging, noting that consumer prices marked only a marginal rise of 0.88 per cent in February.

The report reveals that February's rise would have been lower if not for the jump in energy prices. It cautions that "such a subdued trend in prices has to be sustained over the months, if inflation for the year 1994 as a whole, is to be contained within the 10 per cent level".

That, in turn, would require maintaining a disciplined monetary policy. The financial operations of the public sector and the lending operations of the banking system as well as the kingdom's balance of payments status and the parcelling out of significant aid pledges would affect such policy.

Currently, the NBC notes that "the share of currency in circulation in broad money has declined significantly from over 58 per cent in December 1993 to about 45 per cent in February 1994".

It further records that "such expansion in broad money as has taken place is wholly attributable to growth in quasi-money, mainly foreign currency deposits with banks". Quasi-money refers to time, savings and foreign currency deposits.

However, the public sector's financial operations have yet to determine a contractionary impact on money supply, with government deposits at 47.5 billion riels for February 1994 while the banking system has net claims of 170.5 billion riels during the same period.

Paper Reports on Poipet Market, Other Issues

BK2705141294

[Editorial Report] On 27 May, REAKSMEI KAMPUCHEA reports on page 4 the following in its business section:

On the halt to delivery of goods from Thailand in the wake of the burning on the Cambodian side of the Poipet border market, the paper says some goods from the market arrived in Phnom Penh on 23 and 24 May. Recently, Cambodian and Thai provincial-level delegations held talks on reopening the border pass, but they were not able to arrive at a decision. Reopening the Poipet market is vitally important because commodity prices in Phnom Penh markets have gone up exorbitantly since it closed.

Concerning a new 10

tax on rents collected from houses rented to foreigners or international organizations, the paper quotes an official at a Phnom Penh tax office as saying the tax will be implemented in early June. According to the municipal tax office, the reason the Finance Ministry has imposed the tax is, that collecting taxes on rent earned from renting houses to foreigners, doing business, or working in Cambodia was extremely difficult in the past as most landlords were unwilling to pay.

As for the planned exportation of Angkor beer, the daily quotes Jame Fong, marketing manager of the Malaysian Cambrew company producing and distributing Angkor beer, as saying that next year the company will start exporting the beer to Japan, other Asian countries, the United States, Australia, France, and Great Britain.

Commenting on the currency exchange market in Phnom Penh, the paper says that since the announcement of the king's departure on 18 May, the rate of the Cambodian currency has begun to swell from 2,590 to 2,600 riels a dollar. Between 22 and 25 May, $1 could fetch as much as 2,645 riels. The precipitous decrease in the value of the riel, it adds, is caused by the political situation, which has become confused since a demonstration was planned to disrupt the National Assembly and since fighting erupted in various provinces.

On the expansion of Shell oil company operations, REAKSMEI KAMPUCHEA says the firm has spent $6 million to rent and restore a fuel depot in Sihanoukville.

In the past few months, the paper continues, Shell signed with Cambodian Airlines an agreement on construction of a $3-million fuel depot at Pochentong Airport for storing aviation fuel. Shell has also been building service stations along all national routes.

Indonesia

Philippine Handling of Timor Conference Praised

BK0106154394 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 1 Jun 94

[Text] Indonesia appreciates the Philippine Government's handling of the Manila conference on East Timor. The conference is taking place after the Philippine Supreme Court overruled a lower court's ban on the conference. Only Filipinos are attending the conference, however, after the Philippine Government exerted various effective efforts to bar foreigners from attending the conference.

According to a press release from the Directorate for Foreign Information of the Department of Foreign Affairs received by RRI [Radio Republik Indonesia] this evening, the Philippine Government has also given assurances that the conference is not being used as a platform to launch a campaign of lies or an international disinformation campaign against Indonesia. In this connection, Indonesia respects the sovereignty of other countries and the right of their citizens to hold debates.

Suharto Welcomes Visiting Turkmen President

BK0106133194 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 1 Jun 94

[Excerpt] Turkmen President Saparmurad Niyazov arrived in Jakarta this evening. The Turkmen president was welcomed by President Suharto in a state ceremony highlighted by a 21-gun salute at Merdeka Palace. After accompanying the state guest to the state guesthouse, Minister and State Secretary Murdiono told reporters that President Saparmurad Niyazov praised President Suharto for Indonesia's successful development. According to Minister Murdiono, the Turkmen president also praised Indonesia's chairmanship of the Nonaligned Movement. [passage omitted]

Three Members of Rebel Movement Surrender

BK2805062394 Jakarta ANTARA in English 1525 GMT 27 May 94

[Text] Merauke, May 27 (ANTARA)—Three active members of the Irian Jaya-based Security Disturbing Movement (GPK) who have been living in the region's jungle have surrendered to the Merauke security officers last week.

The three GPK's members are Yosep Blagaize (74) who have been hiding in the jungle since 1963, Nico Ndiken (50) who left Merauke in 1964 and Urbanus Ndiken (48) who joined the movement in 1975, head of the local Social Politic Office Alex Sayono told ANTARA on Friday.

Alex said the three men entered Merauke through the regency's village of Sota on foot and were accompanied by some Papuan people.

They brought along with them two arms, a grenade, a bow and an axe, he added.

Laos

Delegation Departs for Nonaligned Meeting

BK2805100994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 May 94

[Text] This morning, a Lao delegation headed by Souban Salitthilat, deputy foreign affairs minister, left Vientiane for Cairo, Egypt, to attend the 17th nonaligned ministerial conference from 30 May to 3 June.

Over the past more than 30 years, the Nonaligned Movement has firmly adhered to its principle aimed at safeguarding world peace, contributing to the struggle for national liberation and disarmament, and speaking against racial discrimination and for improved living conditions of people in developing countries, thus making it an influential political force in the international arena.

At the Cairo ministerial conference, the Movement will discuss various issues, including its future and program of action, particularly in contributing towards making the United Nations more democratic so it will heed the interests of all countries—be they big or small, developed or underdeveloped. In addition, the Movement will also discuss the forthcoming eleventh summit, cooperation between the Nonaligned Movement and other international organizations, economic cooperation, human rights issues, the environment, and so forth.

Premier Issues New Timber Exploitation Policy

BK2705142994 Vientiane KPL in English 0924 GMT 27 May 94

[Text] Vientiane, May 26 (KPL)—Prime Minister Khamtai Siphandon on May 5 signed an order concerning forest exploitation that all state agencies at both central and provincial levels have to implement strictly.

The order indicated weak points in the implementation of the party and state policy on forestry resources as well as instances of violating this policy.

According to this order, permissions for cutting timber over quota and for cutting timber for all building purposes which have not been approved by the ministry concerned and the government are no longer issued, and those issued previously are ordered cancelled immediately and absolutely. No province can allow private businsses and owners of saw mills and wood processing factories to send their people to cut timber in the forest by themselves. State authorities in cooperation with locals will organise the cutting of timber and then sell it to private businesses at log yards No. 1 or No. 2. Provinces have to stop exporting log and sawn wood, and if necessary, they need special permission from the government. Provinces having border cross points with foreign countries should help the government in inspections. Timber export without permission from the governments absolutely not allowed to pass bordr points.

The government has allowed some companies only to do the export of sawn timber. Any companies with no authorization from the government are definitely not allowed to do so. The import of timber from other countries to Laos or in transit to a third country also requires a quota from the government. Installations of mobile saw mills and wood slicing machines are no longer allowed in the forest. Previous permissions on the matter, if any, will be officially cancelled. Exchanges of timber for cars, materials, equipment and other construction ventures are no longer permitted. Provinces have no right to allow local and foreign investors to set up wood processing industries and to undertake forestry concessions. This matter is to be decided by the government alone. The use by foreigners of labour, drawing equipment and trucks for cutting timber in the forest without permission from the government must be stopped.

The Ministry of Agriculture and Forestry and the Ministry of Industry and Handicraft are asked to send their personnel to the provinces to collect data on the numbers of villages and people still living on slash-and-burn farming on upland and watershed areas and their annual demand for rice. Then the personnel have to discuss with provincial authorities a solution to the issue. In areas where conditions are favorable, people may have to move to fixed farming in the plainland, while those living in areas not favorable for rice farming will be advised to stop slash-and-burn farming and take up the planting of industrial trees or cattle raising on the spot. The state will provide them with rice, credit, money and animals. Slash-and-burn cultivation in lowland areas which cause forest destruction is also strictly banned.

Philippines

Romulo Grants Passport to Former Envoy Benedicto

BK0206102094 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 2 Jun 94

[Text] The Department of Foreign Affairs [DFA] has issued a passport to former Ambassador Roberto Benedicto. Acting Foreign Secretary Tomas Padilla clarified, however, that the issuance of a passport to Benedicto does not mean he is being recognized as a Philippine citizen. There are reports that Benedicto is a Venezuelan citizen. Padilla said that once it is proven that Benedicto is no longer a Filipino his passport will be cancelled.

The DFA's decision to issue a passport to Benedicto complies with the Sandiganbayan's [Anti-Graft Court] order. The court threatened to arrest and detain Foreign Affairs Secretary Roberto Romulo if Benedicto was not given a passport.

Agencies To Comply With Court Rule on Timor

BK0106063394 Quezon City Radio Filipinas in English 0230 GMT 1 Jun 94

[Text] The Supreme Court has allowed the holding of the controversial East Timor conference at the University of the Philippines [UP] in Diliman, Quezon City. The high tribunal ordered the Quezon City Regional Trial Court to desist from implementing the temporary restraining order on the meeting, which will discuss alleged human rights violations in East Timor.

President Ramos directed all government agencies to immediately comply with the Supreme Court ruling. However, the government will still enforce the ban on foreign participation in the conference. The Immigration Bureau canceled the visas of foreign nationals attending the conference, but President Ramos removed the name of Japanese Bishop Aloisius Nobuo Soma from the list of 34 foreigners banned from attending the East Timor conference. The president's decision was announced following a closed-door meeting of the Cluster E which advises the president on political and security matters.

Malacanang [presidential office] was forced to say that the government will prevent the conference from turning into a political platform that would undermine the political integrity of Indonesia. The speeches and other public statements of the foreign delegates will be closely monitored, particularly those that would affect the national interest.

Twenty-five foreign delegates who were able to slip through a dragnet thrown by immigration authorities at the airport attended the meeting which opened yesterday. No arrests have been made in the UP campus as of press time. Surrounded by human chain of students, nuns, and priests, the foreign participants march inside the Diliman campus going to the conference site.

Ramos Holds Weekly News Conference 1 Jun

BK0206091394 Quezon City PTV-4 Television Network in English 0649 GMT 1 Jun 94

[Weekly news conference by President Fidel V. Ramos with domestic and foreign correspondents at Malacanang Palace in Manila—live; passages in italics in Tagalog]

[Excerpt] [passage omitted] [Ramos] I would like to again reiterate that in regard to the East Timor issue, that it was consistently—in this particular case—national interest that I upheld. In the same way that we have upheld national interest in the other contentious issues that have faced my government.

After all, what really is the definition of national interest? As we, at our level as national leaders understand it, and our other national leaders in other countries understand national interest.

I think the textbooks as well as the latest historical analysis of recent events will show that national interest has three components.

The first one is the preservation of the way of life, the core values, and the institutions of the people. Second, the welfare and well-being of the people of that nation. And third, the maintenance of the territorial integrity and sovereignty of the nation. These three are parts of the whole that we call national interest.

Now, in regard to the East Timor issue, as far as our way of life, core values, and institutions are concerned, we upheld the freedom of Filipinos to assemble and to express their opinions. Okay?

As far as welfare and well-being are concerned, what were really at stake here? Some P19 billion [Philippine pesos] worth of investments, projects, enterprises, and agreed partnerships or consortiums, divided as follows:

—In the East ASEAN Growth Area, in which the southern Philippines is our contribution, some $250 million worth of investments within the next few months were at stake; and,

—The rest of the Philippines, minus the southern Philippines, some $450 million worth of partnerships, investments, and projects. The most notable of which is the proposed Alabang in Muntinlupa to Quirino Avenue skyway in which the partners are the Philippine National Construction Corporation and Citras of Indonesia.

And that component is worth $450 million or a total of $700 million, or roughly P19 billion which represents about 200,000 jobs.

If we are to use 100,000 pesos as the moderate per job cost, as it's usually estimated by our economic managers, this is not the capital intensive kind of jobs and neither is it the cottage industry kind of jobs. This is the figure in the middle.

What else is involved in our welfare and well-being? Our peace process, especially Mindanao which has been the scene of bloody battles, violence, and dislocation of hundreds of thousands of Filipinos—both Christians and Muslims alike. That, we would like to finish so that there will be a just, honorable, and enduring settlement for all.

What else is involved in welfare and well-being? ASEAN solidarity and cooperation which has been strengthened over the last 25 years since the inception of ASEAN through, precisely, the growing and more intimate networking of the six member countries. And the proof of the worth of ASEAN is simply that many countries now would like to join ASEAN as a subregional aggroupation.

In so far as our territorial integrity and sovereignty is concerned, because of Philippine-Indonesian cooperation—and this started with the so-called Bali Series of Marine and Ocean Research and in which the Philippines has been a very active participant, hosting even the last one here in Manila about a year ago—we have been able to bring about stabilization in this very contentious area of the South China Sea. And of course we have the UN Convention on the Law of the Sea or the UNCLOS, in which Indonesia and the Philippines—as the leading archipelagic nations—have been very closely cooperating.

And on top of all of that is that the stability within ASEAN has contributed significantly to the stability of the entire Asia and Pacific Region itself. So that's it.

And if you will look back at the events taking place now, that we have found the Solomonic solution, thanks to the support of everybody particularly the Supreme Court. We have in fact threaded the eye of the needle. *The hole of that needle is so small. We have been searching for it for a long time but we found it. That is where we made our entry.* Fred [one of the correspondents] will translate this for you since he will be the last speaker. [laughter from the audience]

And I say this in summary because we need to see these whole series of events in the proper context and not in the heat of emotion or dramatic and not balanced reporting by various observers, not necessarily the media. Okay? [passage omitted]

ABB Official Arrested by Government Agents

BK2705044894 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 26 May 94

[Text] A top official of the Alex Boncayao Brigade was arrested by government agents. Felimon Lagman was arrested by Naval Intelligence agents as he drove his car on Visayas Avenue. Lagman is the head of Manila-Rizal Regional Party Committee, one group which broke away from Joma [Jose Maria] Sison, and spokesman of ABB or Alex Boncayao Brigade. According to Defense Secretary Renato De Villa, they cannot tell yet what the effect the arrest of Lagman will have on the peace talks. At present, the military is preparing to counteract any retaliatory acts that the ABB will undertake in connection with Lagman's arrest.

[Begin De Villa recording in English] Our experience with the CPP-NPA [Communist Party of the Philippines-New People's Army] is the effect that when you capture leaders they do not retaliate by killing someone or.... [end recording]

GNP Grows in First Quarter of 1994

BK0206062094 Quezon City Radio Filipinas in English 0230 GMT 2 Jun 94

[Text] The country's gross national product [GNP] grew by 4.84 percent in the first quarter of the year. That's a big leap compared to last year's 0.27 percent to the same period. Economic Planning Secretary Cielito Habito calls it a remarkable (?sailing). The growth rate was the highest recorded in the past three years. Habito said it meant new jobs for Filipinos and open business opportunities for local industries. Habito said at least 200,000 jobs would have been available starting last month. Habito also said prospects for the rest of the year are even brighter despite fears of rising prices of petroleum products and basic goods as a result of the implementation of expanded value-added tax.

Thailand

Official Notes Impact of New GSP Program

BK3005101294 Bangkok BANGKOK POST in English 30 May 94 p 23

[Text] Thailand will be affected by a 30.5 percent reduction in ceilings proposed by the United States under its Generalised System of Preferences [GSP] tariff-reduction programme.

The current GSP eliminates import duties on products shipped to the United States from developing countries, up to a ceiling of $108 million a year per product.

Under the new programme, the ceiling will be $75 million a year.

The new GSP will be extended for 10 years from October 1, 1994 to September 30, 2004. While the initial ceiling will be $75 million based on 1995 figures, the figure will increase by $5 million a year.

A Business Economics Department source said three Thai products shipped to U.S. markets in 1993 exceeded the new ceiling: automotive wiring, $116.97 million; computer equipment, $98.49 million, and microwave ovens, $77.45 milllon.

The source said the one benefit to Thailand is that the new GSP programme will not link environmental concerns to qualification tariff preferences.

However, the programme may be withdrawn earlier than the 2004 deadline if the World Bank identifies a recipient country as having achieved a per capita annual income of more than $7,900.

The first GSP programme from 1976-84 was designed to help developing countries gain access to U.S. markets without any conditions.

Under the second programme which expires at the end of September, the extension of preferences depends on the development level of exporting countries.

Recipient countries are also required to open their goods and services markets to American firms, protect U.S. intellectual property rights and meet international labour-rights standards.

Kanitson Nawanukhro, deputy director-general of the Business Economics Department, said a U.S. Congressional subcommittee has recommended that the new GSP programme be ready for Congress at the same time as ratification of the Uruguay Round of the General Agreement on Tariffs and Trade.

Court Acquits Suspected Murderer of Saudi Envoy

BK2805112894 Bangkok THE NATION in English 28 May 94 p A1

[Text] The Supreme Court yesterday acquitted the man charged with killing a Saudi envoy in 1989, saying that eye witnesses could not remember sufficient detail of the gunman's face to justify a conviction.

A third secretary of the Embassy of Saudi Arabia, Saleh Abdullah Al-Maliki, 35, was shot dead on 4 January 1989, in Soi Phipat 2, between Bangkok's North Sathon and Silom roads. Three bullets from a 6.35 mm pistol struck Al-Maliki in the head, right temple, and left ear, killing him instantly.

Police believed the motive for the murder was the dissatisfaction of employment agencies, which were losing commission because of Al-Maliki's method of issuing visas direct to Thais wanting to work in Saudi Arabia.

At yesterday's hearing, Judge Charan Hatthakam ruled that acquittal was the correct verdict because the testimony of the prosecutor's eye-witnesses was not deemed reliable.

The accused, Adinan Songkoewala, 26, was arrested on 23 June 1989. The prosecution witnesses—Thongkham Lengkham, Somwang Kritchukiat, and Lun Posayanon—identified the accused as the man who shot Al-Maliki dead. They told the court that Al-Maliki was shot while he was walking to his residence at the PMP Mansion. The gunman shot Al-Maliki at close range and ran away. But in passing his verdict, the judge reminded the court that the eyewitnesses had also said they could not remember much detail about the gunman because they were in shock.

The accused had pleaded innocence, and said he had been at work in his garment business up-country at the time of the murder.

Canada To Help Develop Satellite Technology

BK2805151494 Bangkok SIAM RAT in Thai 27 May 94 p 6

[Text] Dr. Pricha Musikun, deputy minister of sciences, technology, and environment, told reporters after receiving a Canadian space delegation, headed by (Alan Deforest), vice chairman of the Canadian Space Experts Committee, that Canada has agreed to cooperate with Thailand on the development of space technology. For the initial stage, the (Spy) Company, a Canadian firm specializing in satellite technology, will be assigned to provide technical assistance and training courses for Thai officials.

Pricha disclosed that Thailand has set up a satellite division under the jurisdiction of the National Research Institute. The division is unable to cope with the work load, however, and thus Thailand has to depend on other countries for satellite information on natural resources, environment, forestry, and telecommunications.

Pricha said that Thailand needs a specific agency at the national level to handle satellite issues and coordinate with other countries. The Ministry of Sciences, Technology, and Environment will soon propose to the cabinet the establishment of a national independent satellite agency.

Pricha added: "In the future, it also will be necessary for Thailand to have its own satellite launching pad, and the most appropriate site is in Narathiwat Province. Canadian assistance in setting up a satellite data center will be useful to both Thailand and the neighboring countries."

King Appoints Banhan Sinlapa-acha Opposition Head

BK0106133394 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Jun 94

["Announcement" signed by King Phumiphon Adunyadet and countersigned by House of Representatives President Marut Bunnak; issued on 27 May, place not given]

[Text] His royal signature: Phumiphon Adunyadet

Whereas a royal decree was issued on 30 October 1992 appointing Police General Praman Adireksan as opposition leader in the House of Representatives, Police Gen. Praman has resigned as leader of the Chat Thai Party, thus disqualifying him as opposition leader in the House of Representatives. Therefore, he loses his position as per Article 116, Paragraph 3 of the 1991 Constitution.

The king deems that Banhan Sinlapa-acha possesses the qualifications required by Article 116, Paragraph 3 of the 1991 Constitution and is suitable to be leader of the opposition in the House of Representatives. Therefore, he appoints Banhan Sinlapa-acha as opposition leader in the House of Representatives from this moment onward.

Announced on 27 May 1994, the 49th year of the reign of the present king.
Countersigned by House of Representatives President Marut Bunnak.

Coalition Parties Clash Over Hunger Striker

BK0206064794 Bangkok THE NATION in English 2 Jun 94 pp A1, A4

[Text] Chalat Worachat's hunger strike has sparked new tension between the Democrat Party and its reluctant ally Phalang Tham with party members exchanging heated remarks yesterday over a Phalang Tham member's outburst against the prime minister.

The showdown coincided with the resignation of four Phalang Tham MPs from the coalition whips committee. The pullout was, however, described as a normal procedure following Phalang Tham's election of a new executive committee. Newly-elected Phalang Tham Secretary General Udon Tantisunthon remained the only Phalang Tham Party member in the whips' panel.

On Tuesday, Chaiwat Sinsuwong, a former deputy city governor, attacked Chuan for his failure to reach a compromise with Chalat. "It's a shame for Thailand to have such a stupid prime minister," the Phalang Tham hardliner said.

Phalang Tham leader Bunchu Rotchanasathian described Chaiwat's statement as a personal opinion. But reaction from powerful Phalang Tham founder Chamlong Simuang appeared more controversial.

"We can't say who is right and who is wrong in this matter. Everybody can express his opinions," Chamlong said.

Government spokesman Aphisit Wetchachiwa, a Democrat, charged that Chaiwat had bad intentions towards the both government and hunger striker Chalat.

"I don't want to see someone take advantage of Chalat's hunger to attack the government. It is not fair to Chalat or the government," Aphisit said.

Chuan played down the issue and said he would not raise the topic at the next Cabinet meeting.

"I haven't read (the newspapers)," the Democrat leader said. "Anyway, I don't think I will talk about it at the Cabinet. It's not that important."

But at a party for all coalition MPs hosted by the New Aspiration Party, Chuan gave a speech which was seen by many as an indirect message to Phalang Tham.

"Storms arrive every time Parliament convenes a session," Chuan said at the Emerald Hotel party. "I believe this time they are not serious. But the most important thing is for all of us to stick together in our ship. People assigned us to bring this ship in to shore and we have to do it. We must land on the Thai shore, not Bangladesh's. And nobody should abandon the ship with the intention of being the only survivor."

Chamlong was conspicuously absent from the party. Another Democrat, Deputy Finance Minister Trairong Suwannakhiri, reacted furiously to Chaiwat's comments.

Asked if he would ask Phalang Tham to reprimand Chaiwat, Trairong replied: "I dare not do that. Political parties should respect each other. I know the shoulds and should-nots of etiquette. I'm not that kind of low-life."

Democrat secretary general Sanan Khachonprasat said Chaiwat's statement was "nonsense" and added that Bunchu would take care of the issue.

Chaiwat's unexpectedly strong remark heightened wild speculation about Phalang Tham's possible role in Chalat's controversial hunger strike. Although Bunchu has tried to distance his party from Chalat, the activist has been strongly supported by party hardliners who wrested control of Phalang Tham's executive committee last weekend.

Over the past two days Chuan has implied that Chalat's campaign for a new Constitution had escalated into a collaboration of some sort with himself the ultimate target. Special Branch police sources backed Chuan's statement yesterday, saying Chalat's fast was creating circumstances which might lead to an eventual antigovernment crusade.

Chamlong has been actively trying to seek a "way out" for Chalat. But the Phalang Tham founder's suggestion that government MPs join to draft a new constitution was rejected by the Democrats and other coalition leaders as impractical and unconstitutional.

Pro-democracy groups, a power base for Chamlong, have closed ranks behind Chalat, demanding that the government abolish the present Constitution and promulgate a new one as called for by the activist. As the number of sympathizers has gradually swelled at the protest site in front of Parliament, so have fears of possible political unrest.

Chamlong admitted yesterday his party was trying to help Chalat, but added that it was also in close contact with coalition partners. Sources said Chamlong had also told Phalang Tham members not to turn their individual support for Chalat into a political stand of the party.

Chaiwat yesterday insisted that he had criticized Chuan because the prime minister had failed to clearly explain why the government could not comply with Chalat's demands. "A leader must defuse problems, not allow small ones to grow into big ones," he said.

The four Phalang Tham MPs who quit the coalition whips committee are Sarit Santimethanidon (Khon Kaen), Sutham Saengprathum (Nakhon Si Thammarat), Tinnawat Marnukkaphithak (Bangkok) and Thamrong Saengsuriyachan (Bangkok).

Police Official Comments on Narcotic Problems

BK2905101694 Bangkok KRUNGTHEP THURAKIT in Thai 29 May 94 p 3

[Interview with Police General Chawalit Yotmani, secretary general of the Narcotics Control Board Office, by unidentified correspondent; date and place not given]

[Excerpt] [Passage omitted] [Correspondent] At the recent seminar in the United States on the global narcotics situation, what did the Asian countries say about the situation in the countries in the Golden Triangle?

[Chawalit] Thailand and the United Nations, whose UNDCP office is located in Thailand, talked about the problem in Laos and Burma. A master plan for tackling the problem in Laos is already completed. A plan for Burma is next, because most of the illicit opium cultivation is in that country. It will be difficult due to the political issue involving the ethnic monorities, which have been waging resistance against the Burmese Government. Some areas will not be accessible to control by the government. We will have to cooperate with the United Nations on this issue.

[Correspondent] How much heroin is produced annually in the Golden Triangle?

[Chawalit] It is estimated at 40-60 tons; no more than 60 tons at most. These figures are derived from estimated cultivation and refining capacities. No one knows the real production figures.

[Correspondent] How much marijuana is produced in Thailand?

[Chawalit] It is estimated at 100-200 tons a year. There was a lot of cultivation in the northeast. After the eradication efforts were launched, however, cultivation has been moved to the mountains and jungles in about 20 provinces in various parts of the country. The growers themselves do not own the land where marijuana is cultivated. In this way, the growers hope they can better avoid detection by the police.

[Correspondent] The narcotics traffickers have been able to transport their products rather effectively. What has your office done to deal with this?

[Chawalit] It is not possible for us to inspect every container. Therefore, we will have to rely on good intelligence to inspect suspected containers. Information must come from the end destination. For example, we will follow up if there is information that a consignment is destined for a certain location. Several units are involved in following up such information, including my office, the police, the customs offices, and foreign units. The practice is to perform some inspections, but we must ensure that such inspection does not create unnecessary trouble for honest businessmen. [passage omitted]

Vietnam

Reportage on National Assembly Proceedings

Radio Notes 1 Jun Session

BK0106133794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Jun 94

[Summary] "Dear friends: After their morning group discussions, National Assembly deputies worked in the conference hall this afternoon and debated the revised draft law on the organization of people's councils and people's committees. The afternoon session was directed by National Assembly Chairman Nong Duc Manh."

All of the fourteen deputies who spoke at the session agreed with the views of the law drafting committee. They pointed out: "In view of the demands arising from the renovation process and in compliance with the 1992 Constitution, the amendment of and supplement to this law are regarded as a pressing and necessary requirement as the term of office of people's councils at various levels will expire by November 1994."

The deputies concentrated their discussions on the following major issues:
—Term of office of people's councils at various levels.
—Duties and powers of people's councils, of people's councillors, and of people's committees.
—Whether people's committee chairmen should be people's councillors?, and so forth.

"Many deputies who spoke proposed that the term of office of people's councils at various levels should be five years and that people's councils should meet three times a year. They said it would be too much of an interval if people's councils meet only twice a year."

Many deputies called for more attention to the role of the Fatherland Front Committees at various levels in the activities of people's councils.

As for Article 24 and Point 4 of Article 33 on how people's councils should resolve complaints and denunciations, many deputies called for more specific stipulations on the powers of people's councillors and people's council standing members with regard to this matter.

With regard to the question of whether people's committee chairmen should be people's councillors, "may deputies spoke in favor of the idea that people's committee chairmen will not necessarily be people's councillors."

"Tomorrow, National Assembly deputies will continue to meet at the conference hall to discuss a revised draft law on the organization of people's councils and people's committees."

Office Issues Communique No. 6

BK0106154194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Jun 94

[Text] The National Assembly Office has issued the Communique No. 6 as follows:

This morning National Assembly deputies had group discussions on the two draft amendment laws on the organization of people's councils and people's committees, and on the election of people's councils and people's committees.

In the afternoon, the National Assembly held a plenary session at the conference hall to discuss the draft amendment law on the election of people's councils and people's committees under the direction of Chairman Nong Duc Manh. Fourteen deputies spoke among 25 who had been registered to speak on issues where there are still disagreement among deputies. They are: Pham Loi of Hanoi; Vo Nguyen Quang of Thua Thien-Hue; Le Khac Binh of Ho Chi Minh City; Bui Duc Luan of Haiphong; Tran Hoa of Quang Binh; Dang Van Cao of Hai Hung; Nguyen Nhu Vy of Nghe An; Tran Minh Triet of Song Be; Vu Minh Mao of Thai Binh; Le Duc Binh of Ninh Binh; Pham Van Kiet of Can Tho; Le Thi Thanh Liem of Ben Tre; Au Van Hanh of Tuyen Quang; and Phan Thi Tien of Dong Thap.

Many deputies contended that the draft presented to the National Assembly this time has been prepared relatively well thanks to contributions of people of all strata and cadres all sectors and echelons nationwide. All views focused on the following issues:
—Duties and authority of people's councils and people's committees.
—Frequency of sessions.
—Standing committees of people's councils and sections of the council.
—Organization and function of people's committee.
—Role, status, and duties of people's council deputies and chairman, and so forth.

The National Assembly deputies will resume their discussions at the conference hall on the two draft amendment laws on organization of the people's councils and people's committees, and on the election of people's councils.

Prime Minister Issues Directive on Clearing Debt

BK0106154794 Hanoi NHAN DAN in Vietnamese 14 May 94 p 1

[Text] The prime minister recently issued Directive No.235/TTG, dated 11 May, on the need to step up all-out debt liquidation and debt solvency efforts in the second phase. The directive points out: The total amount of debts to be collected nationwide during the second phase will include 6,000 billion dong, over 200 million U.S. dollars, and nearly 10 billion (Japanese) yen. So far, over 70 percent of it has been listed, determined, and confirmed and over 500 billion dong in debt have been paid off. A number of localities and sectors have analyzed the reasons for indebtedness, dealt with a number of cases of breaches of stipulations on financial management and debt repayment by various state enterprises and other economic organizations.

However, the plan for all-out debt liquidation efforts in the second phase has been carried out very slowly. We have only been able to list, determine, and confirm the amount of debts. Up to 30 percent of of the debts listed so far have still not been determined and confirmed, while the majority of those that are have not been liquidated or dealt with. Because of a lack of close guidance, a number of ministries, sectors, and localities have adopted a wait- and-see attitude, have been evasive, and have not been decisive when it comes to debt settlement.

To step up debt liquidation and debt solvency and to conclude the second phase of debt liquidation within 1994 so as to reestablish financial order and bring back normal work conditions for enterprises, the prime minister hereby decides:

Debtor units must make full use of their existing sources of capital, including cash, assets, goods, real estate, equipment, and other valuables in their efforts to liquidate all their confirmed debts. These cover those owed to domestic enterprises, foreign debt, bank debts, and budget debts. As for state enterprises that are still active, their management organs must make them pay their debts within a set period. For enterprises that have already been dissolved, deactivated, or integrated into other enterprises, responsible organs must work out specific measures in accordance with the stipulations now in force to ensure that every enterprise concerned repays its debt.

From 1 July 1994 onward, the resolution of debts for insolvent firms must be carried out in accordance with the law on enterprise bankruptcy.

All cases of intentional delay or evasion of debt repayment will be liable to administrative penalties and disciplinary measures taken by relevant party organizations, if the debtors are party members. In serious cases, violators will be subjected to criminal liability as stipulated by the law regardless of their position.

Debt liquidation and debt solvency must be carried out in accordance with guidance memoranda already promulgated, resolutely and urgently in the following ways:

a. Debts already listed and confirmed among state enterprises that are still active must be settled immediately. The standing board of the Central Steering Committee for Debt Liquidation must guide debt liquidation and debt solvency-related activities in accordance with procedures applied in the first phase.

b. For debtor state enterprises already dissolved, deactivated, or merged with other firms, the relevant debt liquidation committees established to determine the property of these enterprises are responsible for the debt liquidation task. In the event the debt liquidation committees no longer exist, the management organ and the one who endorsed the decision to establish the debtor units are responsible for resolving the debt liquidation issue. All property and capital of debtor units that have already been mustered, transfered, or used for other purposes must be recovered for debt repayment.

As for debts already guaranteed by paper, in the event debtor units become insolvent, the guarantor units or individuals must shoulder the debt on behalf of the debtor units.

For enterprise management cadres who, out of their irresponsiblity, cause a loss of capital and property or who have been tempted to corruption and malfeasance while in office, resolute measures should be taken to force them to pay compensation. Depending on the severity of their offenses, they must be subject to criminal liability and have their assets seized. The debt liquidation committee of the managerial echelon to which a debtor state enterprise belongs must take measures to list the property of the debtor unit concerned for sale to recover money for debt liquidation purposes. The debt liguidation committee concerned is also authorized to confiscate the assets of debtor enterprises which have been dissolved, deactivated, or merged with other enterprises for debt liquidation purposes.

For debtor enterprises that have been dissolved, deactivated, or merged with other enterprises, in addition to inspections of their property and the full recovery of everything available for debt liquidation, we must clearly specify the collective and individual responsibilities of those organs that have ordered the founding, dissolution, or merger of these enterprises.

Six-Month Bilateral Trade Reaches $3.3 Billion

BK0206080594 Hanoi VNA in English 0610 GMT 2 Jun 94

[Text] Hanoi VNA June 2—Export earnings in the first six months are expected to reach USD 1.6 billion, an increase of 27 percent compared with the same period last year, surpassed slightly by imports, up 33.2 per cent to USD 1.7 billion.

Ministry of Trade figures show that the export earning from crude oil are expected to reach 3.2 million tonnes, or 38 per cent of the yearly plan but much higher than that of the first six months last year, and that textile and garment products are expected to earn USD 150 million, up by 83 per cent compared with the same period last year.

Import activities have been concentrated on material catering for demands of home consumption and production. Petroleum imports are expected to reach 2.2 million tonnes (equivalent to 51 per cent of the yearly plan), urea fertilizer 400,000 tonnes and steel 200,000 tonnes. Other import products such as cement, cotton fibre, insecticide are also higher than that of the first six months last year.

Thanks to the abundance and well circulation of goods and stable price, the total retail sale of goods in the market will reach 50 billion dong (USD 5 million), an increase of 30 per cent compared with the same period last year. However, there have been remained unsolved problems such as fake goods and tax evasion....

The Ministry of Trade is gradually perfecting a project on the organization of the market to fulfil the last six months' objective of obtaining USD 3 billion from exports and USD 2.3 billion from imports.

Smuggled Goods Discovered on Ship

BK3105053594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 28 May 94

[Text] Police of Ba Ria-Vung Tau recently started prosecution of a smuggling case concerning a ship, the Hoang Giang. The ship belongs to the Vietsovpetro joint venture enterprise, and was on its way back from a regular repair trip in Singapore to Vung Tau.

During an administrative inspection, the customs and police forces of the province discovered a large amount of merchandise that had not been declared to customs and on which taxes had not been paid. The lot contains 22 types of items worth over 1 billion dong.

This smuggling case discovered at the sea port of Vung Tau is a major one.

* Factory Produces Quality Liquid Nitrogen

94P30060B

[Editorial Report] The 7 April QUAN DOI NHAN DAN reports that for many years, production at the Yen Vien Oxygen Plant has satisfied domestic industrial and medical needs for oxygen, CO2, nitrogen, and calcium carbide, particularly in the north. Recently, the plant succeeded in producing 99.99 percent pure liquid nitrogen, essential for the manufacture of TV picture tubes and for other high-tech industrial sectors. Yen Vien is the only plant in the country which can produce liquid nitrogen.

Research and development efforts on liquid nitrogen were begun by the plant's own cadres and technicians in 1993, with the first successful test production occurring in early 1994. It is noteworthy that this was achieved with old Soviet equipment. Tests conducted using equipment from the Netherlands confirmed that international standards had been achieved. Thus, as of this year, the plant can reliably meet all domestic needs (including joint enterprises) for 99.7 percent pure liquid oxygen, 99.9 percent pure liquid nitrogen, CO2, and C2H2.

For the first quarter of 1994, the plant's total sales rose 13.2 percent over the same quarter of last year. Sales of oxygen, the chief product, increased by 73.26 percent in the same period.

* Army Develops Detonators for Mortars

94P30060A

[Editorial Report] The 12 April QUAN DOI NHAN DAN reported that the Military Region 3 Political-Military School recently produced a test run of 35 detonating fuses for 82mm mortar rounds. This technical improvement was the idea of Major Nguyen Manh Chinh, a cadre at the school. When tested, 100 percent of the rounds exploded successfully. The new rounds will be an economically effective aid in weapons training.

Dhaka Radio Cites Foreign Minister on U.S. Ties

BK2705134994 Dhaka Radio Bangladesh Network in Bengali 1230 GMT 27 May 94

[Text] The visiting foreign minister of Vietnam, Nguyen Manh Cam, has said that though his visit to Bangladesh was a brief one it has laid a new foundation in mutual relations. Addressing a news conference in Dhaka today, he said that long historical ties exists between Vietnam and Bangladesh. For a long time this relationship has been limited to friendship. We extended our support to each other's independence movement in different international forums. He said his current visit has yielded positive results. Two agreements have been signed to expand bilateral cooperation in economic, scientific, and technical spheres. He said these agreements gave a legal framework for future bilateral ties. Apart from meeting government leaders, Mr. Nguyen said he also held meetings with the trading community and the leaders of the Federation of Bangladesh Chamber of Commerce and Industry.

In reply to a question, the Vietnamese foreign minister said his country is keen to develop trade ties with Bangladesh. He said the two the countries can explore the prospects of trade with others together.

In reply to another question, Mr. Nguyen said that there has been an improvement in ties between Vietnam and the United States. In this regard, Hanoi and Washington have recently signed an agreement to set up liaison offices.

[Hong Kong AFP in English at 0956 GMT on 27 May 94 in a Dhaka-datelined report adds the following: "Vietnamese Foreign Minister Nguyen Manh Cam said here Friday that Vietnam favors the resumption of full diplomatic relations with the United States as soon as possible, but that a decision is up to the Americans.

"'We are ready, but the ball is in the American court and I regret that I cannot say when full diplomatic ties will be restored between our two countries,' Cam said as he wound up a three-day visit to Bangladesh.

"Cam's comments at a press conference followed the announcement that Vietnam and the United States had taken another step toward diplomatic normalization by announcing that they would open liaison offices in each other's capitals. Cam said the only thing holding up normal diplomatic ties was US domestic politics, an apparent reference to pressure by American groups which claim Vietnam has not fully accounted for US servicemen still listed as missing in action from the Vietnam War.

"I am sure it will come sooner or later. Ties have improved since the (President Bill) Clinton administration lifted the economic embargo on Vietnam" in February, he said. Bangladesh opened a diplomatic mission in Hanoi last November.

"While here, Cam met President Abdur Rahman Biswas, Prime Minister Khaleda Zia, Foreign Minister Mustafizur Rahman and business leaders. The two countries pledged in two agreements signed Thursday to work toward improving ties. Cam said the pacts gave a legal framework for cooperation and his visit here would promote mutual understanding and trust.

"As for Vietnam's historic rival, China, Cam said Vietnam wanted a 'bilateral dialogue' with Beijing to resolve territorial disputes on land and sea, saying 'both sides should restrain themselves from force or the threat to use force.'

"Asked to comment on the US decision to renew China's most-favored-nation trading status, Cam said only that Vietnam—one of only nine countries which does not enjoy MFN—wanted it as soon as possible for itself. As for the human rights situation in Vietnam, Cam said the Vietnamese had regained their rights only after a hard struggle for independence.

"'We will promote them further to make a government for the people, of the people and controlled by the people,' he added, but 'first comes the right to live in freedom and independence.'"]

Deputy Prime Minister Interviewed on Mideast Tour

BK3105154394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 May 94

[Interview with Deputy Prime Minister Nguyen Khanh by an unidentified correspondent; place, date not given—recorded]

[Text] [Correspondet] Dear Comrade: You just lead a government delegation on a visit to Syria, Egypt, and Tunisia. Could you please tell us the objective of the delegation's visit?

[Nguyen Khanh] The objective of the government delegation's recent visit to the Syrian Arab Republic, the Arab Republic of Egypt, and the Republic of Tunisia was to consolidate the longstanding friendship and cooperation between our country and these countries. It was also to thank our friends for their past warm support for our people's struggle for national independence and unification and in our current cause of national construction. The visit was also aimed at obtaining more practical results from the economic and cultural cooperation between our country and those friendly nations than in previous years when conditions were not as ripe.

We also called on the Palestinian state leaders at the Palestine Liberation Organization's headquarters in Tunis. We reiterated our people's unswerving support for the Arab and Palestinian peoples' just struggle for their basic national rights.

[Correspondent] Dear Comrade, what were the results of the government delegation's visit?

[Nguyen Khanh] The government delegation's visit to these three countries brought about very fine results. The leaders of the host countries gave us a very warm and solemn reception. The presidents, prime ministers, and general secretaries of the ruling parties of the host countries received our delegation. They all maintained that the Vietnamese Government delegation's official visit was a new indication of the solidarity and friendship between Vietnam and their countries. They all expressed the desire to broaden economic and cultural cooperation with Vietnam soon to coincide with Vietnam's good political relations with Syria, Egypt, and Tunisia.

During the visit, our government delegation signed trade agreements with the governments of Syria, Egypt, and Tunisia, thus creating more favorable conditions for promoting trade ties between Vietnam and the host countries. As we see it, there are very bright prospects for our country and the host countries to exchange goods and enter into joint ventures to manufacture products in which one country has an advantage. There are also very bright prospects for our country and the host countries to cooperate in culture, information, tourism, cadre training, archaeology, and scientific and technological research. Each of the host countries has famous historical relics from ancient civilizations in addition to such world wonders as the pyramids of ancient Egypt and the ancient city of Balmyra in Syria. We reached agreement with our friends on exchanging visits between business, cultural, artistic, and scientific research delegations in the future.

Thus, our visit consolidated our friendship and cooperation with these traditionally friendly countries and contributed to promoting mutual understanding as well as economic, trade, cultural, and scientific cooperation.

[Correspondent] Based on your contacts with the leaders of the host countries, could you please tell us about their impressions of our country and people?

[Nguyen Khanh] I think that the Syrian, Egyptian, and Tunisian state leaders nurture profound feelings and show great respect and love for Vietnam and its people. When they were university students, the prime ministers and other state officials of Syria and Egypt actively participated in the struggle against the wars of aggression in Vietnam. They praised Vietnam for its achievements and spoke highly of the Dien Bien Phu victory. In their words, the Vietnamese people deserve the respect and admiration of the whole world because we struggled and made sacrifices not only for Vietnam, but for all oppressed peoples. I also think the state leaders, government officials, and people of the host countries highly value the achievements made in Vietnam's renovation process. They are all hopeful that Vietnam can make quick progress in every field and become an economically and culturally developed country within Southeast Asia.

[Correspondent] Thank you comrade.

Phan Van Khai Receives German Minister

BK2805095194 Hanoi VNA in English 0619 GMT 28 May 94

[Text] Hanoi VNA May 28—Vice Premier Phan Van Khai received in Hanoi yesterday German Minister of Cooperation and Development Carl-Dieter Spranger and his party now on a working visit to Vietnam.

Speaking to his guests, Vice Premier Phan Van Khai reiterated the fine development of Vietnam-Germany relations in recent years. On behalf of the prime minister, Vice Premier Khai expressed his thanks to the German Government and people for their assistance and cooperation with Vietnam in socio-economic development, especially in afforestation, environment protection, poverty alleviation and hunger eradication and in generation for workers returned from Germany.

The vice premier highly valued the possibility in capital and technology of Germany and noted that the Vietnam-Germany relations of cooperation and friendship in the interest of the two countries should be further promoted in accordance with the potential of Vietnam and Germany. He also said that Vietnam will create favourable conditions for German businessmen to invest into Vietnam.

Radio Views German Minister's Visit

BK0106092094 Hanoi Voice of Vietnam in English 1000 GMT 30 May 94

[From the "Current Affairs" program]

[Text] German Cooperation and Development Minister Mr. Carl-Dieter Spranger has concluded a working visit to Vietnam. Following is our radio comment:

A joint press conference was held in Hanoi by Chairman of the State Planning Committee Mr. Dau Ngoc Xuan and German Minister Carl-Dieter Spranger. The two ministers voiced their countries' will to strengthen relations and cooperation in many fields between the two countries in accordance with the potential of each country. The German minister also briefed on the outcome of his working visit to Vietnam. He said that Vietnam and Germany have achieved positive progress in political, trade, and economic areas. Over the past two years, high-level delegations of both sides have exchanged visits. The most important has been the visit to Germany by Vietnamese Prime Minister Vo Van Kiet at the end of June last year and the visit by Vice Chancellor and Foreign Minister Klaus Kinkel to Vietnam in April last year. The nomination of a special envoy in charge of relations between Germany and Vietnam at the German Embassy was an illustration of Germany's evaluation of the political importance of Vietnam. The decision was in conformity with Germany's foreign policy to broaden relations with Asia, the most promising region in the world.

Commercial activities and investment between the two countries have also increased. In 1992, the total trade turnover between the two countries was more than 440 million Deutch marks and this year this figure might double. At present, Germany has invested in nine projects with a total capital of 13 million Deutsche marks. However, German businessmen and the German media think that the economic ties between the two countries are not big enough in both scope and scale in comparison with Vietnam's expectations and present conditions, as well as Germany's economy. The German business newspaper (HEINDORF PRESSE) commented that German business circles were following with keen interest developments in Vietnam and held that the process of renovation in Vietnam has achieved positive outcome. Vietnam has a skilled labor force with its industry and intelligence. Another favorable condition for German businessmen was that Vietnam has 5,000 people who studied and graduated in Germany and about 100,000 people who work in Germany. It means that in Vietnam, the number of those who speak German is higher than in any other Southeast Asian country. These are factors for further development of relations between Vietnam and Germany.

Industry Official Meets European Counterparts

BK2805152894 Hanoi VNA in English 1428 GMT 28 May 94

[Text] Hanoi VNA May 28—Chairman of the Vietnam Chamber of Commerce and Industry Doan Duy Thanh has recently paid a working visit to Britain, Italy, Belgium and France.

While in West European countries, Chairman Thanh had working sessions with senior officials of the European Community (EC), Ministries for Foreign Affairs, Ministries of Industry and Trade and representatives of hundreds of trade groups and major banks of Western Europe. He also discussed with leaders of the Chambers of Commerce of the above-said countries on the promotion of economic and commercial cooperation with Western Europe.

During his visit, Chairman Thanh attended a ceremony on the establishment of the France-Vietnam Economic Development Association.